

Prepared by and after recording return to:
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**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
COASTAL WOODS**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR COASTAL WOODS (the "Declaration" or "Covenants") is made this 9th day of June, 2017, and contains covenants and restrictions made by GEOSAM CAPITAL US (VENETIAN BAY) LP, a Delaware limited partnership ("Declarant").

W I T N E S S E T H

WHEREAS, Declarant is the Owner of certain real property located in Volusia County, Florida, more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property"); and

WHEREAS, in accordance with the applicable provisions of state law and local ordinance, Declarant intends to subdivide the Property into a platted residential community known as Coastal Woods (the "Community"), and each platted subdivision will be designated Coastal Woods with the appropriate unit number; and

WHEREAS, Declarant intends to develop or provide within the Property such public and private streets, Common Areas, Conservation Easement Areas, Drainage Areas, and Amenity Areas as will be indicated on the respective platted Community; and

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

WHEREAS, Declarant has caused to be incorporated a Florida not-for-profit corporation known as Coastal Woods Homeowners' Association, Inc. (hereinafter the "Association") which has been formed to manage, maintain, and administer the Common Areas, private streets, and other areas and to enforce this Declaration and to collect Assessments and generally provide for the orderly enjoyment of the Property;

NOW, THEREFORE, this Declaration is made, filed, and recorded by Declarant so that from the effective date hereof, the Property 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.

ARTICLE I

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:

1.1 **ALTER THE APPEARANCE** as used in Section 4.1 shall mean the removal, installation, or modification of the appearance of the exterior of a Dwelling Unit or Lot, including but not limited to any change of color to the Dwelling Unit or change in landscaping all as determined by the Board of Directors of the Association or the Design Review Committee.

1.2 **AMENDMENT** shall mean any document and the exhibits thereto which when recorded in Public Records of Volusia County, Florida: (a) amends, supplements, adds to, or modifies any terms or provisions of this Declaration; (b) adds real property to, or withdraws real property from, the terms and provisions of this Declaration; and/or (c) imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument. An Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on any additional land submitted by such Amendment to the provisions of this Declaration beyond such restrictions and obligations as may be applicable to all property within Coastal Woods.

1.3 **AMENITY AREA** shall mean those areas within the Community and designated on the Plat or plats of subsequent phases, owned and operated by Declarant, or its successors or assigns, for accessory uses permitted by the development agreement.

1.4 **AMENITY FACILITIES** shall mean the land and facilities provided pursuant to the provisions of this Declaration.

1.5 **AREA(S) OF COMMON RESPONSIBILITY** shall mean and refer to any land or Improvement located in or near the Property which is not intended to be owned by the Association, but which is intended to be improved, maintained, or operated by the Association in the manner and to the extent determined from time to time by the Board. Areas of Common Responsibility may be designated by this Declaration, any supplemental declaration, a contract entered into by the Association, or by a decision of the Board.

1.6 **ARTICLES OF INCORPORATION OR ARTICLES** shall mean the Articles of Incorporation of Coastal Woods Homeowners' Association, Inc. as filed with the Florida Secretary of State.

1.7 **ASSESSMENTS** shall mean all annual, special, and other assessments and monetary obligations made or imposed by the Association against Lots in Coastal Woods made in accordance with the terms of these Covenants.

1.8 **ASSOCIATION** shall mean and refer to the Coastal Woods Homeowners' Association, Inc., the Members of which shall consist of Declarant and Owners of Lots in Coastal Woods. A copy of the Articles of Incorporation and the Bylaws of the Association are attached hereto as Exhibits "B" and "C" respectively.

1.9 **ASSOCIATION PROPERTY** shall mean such portions of the Property which are not included in any Lot, except those areas dedicated to the public by the Plat or additional Plat, if any, and which are or shall be owned or maintained by the Association, as set forth in this Declaration, for the common use and enjoyment of the Owners within the Community, together with landscaping and any other Improvements thereon, including, without limitation, the Stormwater Management System, all structures, gatehouses, open spaces, private streets, pedestrian paths, sidewalks, irrigation facilities, decorative street lights, perimeter fence, entry or other lighting, if any, and entrance features, buffer tracts, monument walls, site walls, gazebos, retaining walls, fountains, littoral plantings and decorative street signs, but excluding any public utility installations thereon.

1.10 **BOARD OF DIRECTORS OR BOARD** shall mean the Board of Directors of the Association as defined herein, which Board is made up individual Persons referred to as directors ("Directors").

1.11 **BYLAWS** shall mean those bylaws adopted by the Association, attached hereto as Exhibit "C".

1.12 **COMMON AREA(S) or COMMON PROPERTY** shall mean all real and personal property – including, but not limited to and without limitation, tracts, easements, and any Improvements thereon, if any - which the Association: owns, leases, otherwise holds possessory or use rights in, has the obligation to maintain, or assumes other responsibilities therefor, for the common use, benefit, and enjoyment of all Members. Common Areas include all property (or interest therein), that is: (a) owned by the Association; (b) identified as such in this Declaration or in any instrument executed by Declarant and recorded in the Public Records of Volusia County, Florida; (c) designated by Declarant in an instrument delivered to the Association as property intended for the common use, benefit, and/or enjoyment of all Members; or (d) Maintained by the Association for the benefit of all Members pursuant to written agreement entered into by the Association. The Common Areas shall also include all portions of the Surface Water Management System other than onsite Stormwater Management Systems serving only one (1) Lot.

1.13 **COMMON EXPENSE** shall mean and refer to the actual and estimated expense of operating the Association and meeting the costs to be incurred by the Association in performing its duties and in exercising its prerogatives, including, without limitation, costs incurred for operation, management, administration, maintenance, repairs, replacement, insurance and improvement of the Common Property and Areas of Common Responsibility, and for any reserves from time to time established to be set aside by the Board. Except as may be expressly set forth herein, all undertakings or activities of the Association concerning the Property, the Community, the Common Property, the Areas of Common Responsibility, and enforcing the provisions of the Governing Documents, shall be done at Common Expense.

1.14 **COMMUNITY** shall mean that planned residential development planned to be developed in units or phases on the Property in Volusia County, which encompasses the Property and is intended to comprise approximately one thousand (1,000) residential Dwelling Units or other residential unit types, as may be approved by the City of New Smyrna Beach and also encompasses the Association Property. The Community (also referenced herein as "Coastal

Woods”) will consist of the land set forth in Exhibit “A”, attached hereto and made a part hereof, and may be expanded by the recording of one or more supplemental declaration(s).

1.15 **CONSERVATION EASEMENT AREAS** shall mean all those areas which are subject to the special use restrictions specified in Section 14.3 of this Declaration and which are shown and indicated as Conservation Easements on the Plat(s) 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 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 Association, the City of New Smyrna Beach, and St. Johns River Water Management District.

1.16 **DECLARANT** shall mean and refer to Geosam Capital US (Venetian Bay) LP, a Delaware limited partnership, and any successor or assign thereof to which Declarant specifically assigns all or part of the rights of Declarant hereunder by an express written assignment, recorded in the Public Records of Volusia County, Florida. The written assignment may give notice as to which rights of Declarant are to be exercised and as to which portion of the Property such assignment is applicable. In any event, any subsequent Declarant shall not be liable for any default or obligations incurred by any prior Declarant, except as may be expressly assumed by the subsequent Declarant, and any prior Declarant shall not be liable for any subsequent default or obligations incurred by any subsequent Declarant. An Owner shall not, solely by the purchase of a Dwelling Unit and/or Lot, be deemed a successor or assign of Declarant under the Governing Documents unless such Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Declarant.

1.17 **DECLARATION** or **COVENANTS** shall mean and refer to this document, together with the Exhibits attached hereto and made a part hereof, and shall include such amendments, if any, as may be adopted from time to time.

1.18 **DESIGN REVIEW COMMITTEE** or **DRC** shall mean the Design Review Committee created and established by this Declaration for the prior review and approval of all contemplated improvements of any Lot.

1.19 **DRAINAGE AREA** shall mean any Drainage Area or Drainage Easement indicated on the Plat.

1.20 **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) condominium units, 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 terms shall include all portions of the Lot owned as well as any Improvement thereon.

1.21 **GOVERNING DOCUMENTS** shall mean, collectively the Declaration of Covenants, Conditions, and Restrictions for Coastal Woods, the Articles of Incorporation,

Bylaws, and Rules and Regulations of the Coastal Woods Homeowners' Association, Inc., as any or all may be amended from time to time.

1.22 **IMPROVEMENTS** shall mean all structures or artificially created conditions and appurtenances thereto of every type and kind located within the Community, including, without limitation, buildings, walkways, berms, fountains, sprinkler pipes, gatehouses, roads, driveways, fences, retaining walls, underground footers and other foundation supports, stairs, landscaping, hedges, plantings, poles, swings, tennis courts, swimming pools, covered patios, screen enclosures, bicycling and walking paths, basketball backboards and hoops, signs, site walls, gazebos, benches, mailboxes, decorative street lights and signs; but shall not include any typical underground improvements providing electric, telephone, television, radio, water, sewer, or other utilities equipment.

1.23 **LOT** shall mean each separately described, contiguous, unimproved portion of Coastal Woods which is capable of separate lawful conveyance, and which is identified as a "lot" on the most recent Plat recorded in the Public Records of Volusia County pertaining to that portion of Coastal Woods. Upon completion of construction of the Dwelling Unit on a Lot, such Lot and Improvements thereon shall collectively be considered to be a Dwelling Unit for purposes of this Declaration.

1.24 **MEMBER** shall mean and refer to Declarant and an Owner that is a Member of the Association as provided in this Declaration.

1.25 **OWNER** shall mean and refer to the fee simple record title holder of any Lot which is part of the Property, but excludes any Person or entity holding an interest merely as security for the performance of any obligation and any governmental authority which holds title as a result of a dedication by Declarant.

1.26 **PERSON** means a natural person, a corporation, a partnership, a trustee, or other legal entity.

1.27 **PLANS** means any plans for Improvements showing such details as the size, design, shape, finished grade elevation, height, materials and color of the same, together with a landscape plan and a plot plan showing the location relative to boundaries and adjacent improvements of such proposed improvements or changes

1.28 **PLAT** shall mean the plat of Coastal Woods as recorded in Plat Book ____, Pages ____ through ____, of the Public Records of Volusia County, Florida.

1.29 **PROPERTY** or **COASTAL WOODS** shall mean and refer to certain real property described in Exhibit "A" attached hereto and incorporated herein and the Common Areas as shown on the Plat, all of which are within the jurisdiction of the Association.

1.30 **RULES AND REGULATIONS** shall mean the initial Rules and Regulations of the Association as may be supplemented, amended, and repealed from time to time by the Board of Directors. Copies of such Rules and Regulations and amendments shall be furnished by the Association to an Owner upon request.

1.31 **SURFACE WATER OR STORMWATER MANAGEMENT SYSTEM** shall 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, over drainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system.

1.32 **THIRD PARTY PURCHASERS** shall mean a purchaser that is not a builder or a successor Declarant of a Lot or Dwelling Unit in the Community.

1.33 **TURNOVER** shall mean and refer to the transition of control of the Association by Declarant pursuant to Section 720.307 of the Association Act and Article XIV of this Declaration.

ARTICLE II

PURPOSE AND PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS TO THE PROPERTY

2.1 **Purpose.** The purpose of this Declaration is for the Community to be subject to and encumbered by the covenants and restrictions contained herein. This Declaration will also establish an Association which will own, operate and maintain the Common Areas and will have the right to enforce the provisions of this Declaration, and will be given various other rights and responsibilities. The expenses of the Association will be shared by the Owners within the Community, who, along with Declarant, will be Members of the Association. This Declaration will also address the ownership, operation, use and various charges and fees of the Amenity Facilities within the Amenity Areas.

2.2 **Property Subject to Declaration.** The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to the provisions of this Declaration and the Governing Documents is all of the property forming, being a part of, and that may be annexed into Coastal Woods. Each Lot and every Owner's rights with respect to such Lot is and shall be subject to the terms and conditions of this Declaration.

2.3 **Not Applicable to Declarant.** The Rules and Regulations shall not apply to Declarant or any property owned by Declarant, and shall not be applied in a manner which would prohibit or restrict the development or operation of the Community or adversely affect the interests of Declarant. Without limiting the generality of the foregoing and by way of examples only, Declarant (and/or its assigns, successors, and successors-in-interest) shall have the right to: (a) develop and construct Lots, Units, Common Areas, and related Improvements within the Community, and make any additions, alterations, Improvements, or changes thereto; (b) maintain sales offices (for the sale and resale of Lots and Units), a general office, and construction operations within the Community; (c) place, erect, and/or construct portable, temporary, or accessory buildings or structures within the Community for sales, construction storage, and/or other purposes; (d) temporarily deposit, dump, and/or accumulate materials, trash, refuse, and rubbish in connection with the development or construction of any portion of the Community; (e) post, display, inscribe, and/or affix to the exterior of any portion of the Common Areas or portions of the Community owned by Declarant, signs or others materials used in developing, constructing, selling, and/or promoting

the sale of any portion of the Community including, but not limited to and without limitation, Lots and Units; (f) excavate fill from any lakes or waterways within and/or contiguous to the Community by dredge or dragline, store fill within the Community and remove and/or sell excess fill, (g) grow and/or store plants and trees within, or contiguous to, the Community and use and/or sell excess plants and trees; and (h) undertake all activities which, in the sole opinion of Declarant, are necessary for the development and sale of any lands and Improvements comprising the Community.

2.4 Notice to Owners. All Owners are given notice that use of their Lots and Units, and the Common Areas, is limited by the Rules and Regulations as they may be amended, expanded, and otherwise modified. Each Owner, by acceptance of a deed to any portion of Coastal Woods, acknowledges and agrees that the use and enjoyment and marketability of her/his/its Lot, Unit, and/or Tract can be affected by this provision and that the Rules and Regulations may change from time to time. All purchasers of Lots, Units, and/or Tracts are on notice that changes may have been adopted by the Association. A copy of all Rules and Regulations established hereunder, any amendments thereto, and any policies established pursuant thereto, shall be made available, upon request, to Members by the Association upon payment by the requesting party of such fee to the Association as it may promulgate to cover the cost and administrative expense to supply same. Failure of a Member to obtain a copy of the Rules and Regulations, and/or any policies established pursuant thereto, shall not excuse such Member and/or her/his/its Permittees from the requirement to abide by the Rules and Regulations.

2.5 Additions to the Property. Declarant and the Association reserve the right to add or cause to be added other real property, not now included within the Property to the Property, and such additional real property shall be subject to the provisions of this Declaration.

2.6 Annexation without Association Approval. Declarant may from time to time bring, in whole or in part, additional real property under the provisions hereof by recorded supplemental declaration or amendment hereto, which shall not require the consent of the existing Owners, or the Association, or any mortgagee. The additional lands annexed in accordance with the provisions hereof shall become subject to the provisions of this Declaration upon the recording in the Public Records of Volusia County, Florida an amendment or supplement hereto properly executed by Declarant and without the consent of the Members of the Association.

2.7 Additions or Modifications. Such amendments or supplements to the Declaration may contain such complementary additions and modifications of this Declaration as may be necessary to reflect the different character, if any, of any undeveloped parcels of property annexed pursuant to this Declaration which is the subject of such amendments or supplements to the Declaration and are not inconsistent with the scheme of this Declaration, as determined by Declarant. Further, such amendments or supplement to the Declaration may contain provisions with, among other things, Assessments and the basis thereof, rules and regulations, architectural controls and other provisions consistent with the nature of the development of such property and pertaining to all or part of such undeveloped parcels, to the exclusion of the other portions of the Property.

2.8 Platting. As long as there is a Class B membership, Declarant shall be entitled, at any time and from time to time, to plat and/or replat all or any part of the Property and to file subdivision restrictions and/or amendments thereto with respect to any undeveloped portion or portions of the Property without the consent or approval of an Owner or the Association.

2.9 Recordation. Upon each commitment of additional real property to this Declaration, a recordation of such additions shall be made as a supplement or amendment to this Declaration in the Public Records of Volusia County, Florida, such real property described therein shall be committed and subjected to and encumbered by the covenants contained in this Declaration and shall be considered "Property" as fully as though originally designated and defined herein as Property.

2.10 Withdrawal. Declarant reserves the right to unilaterally amend this Declaration at any time and for any reason for the purpose of removing any portion of the Property (including, without limitation, Lots and Common Property) without notice and without the consent of any Person or entity whatsoever, other than the Owner of the portion of the Property to be withdrawn or the SJRWMD, if consent by the SJRWMD is required; provided, however, that no such withdrawal may impair vehicular or other access to any Lot as established by the applicable recorded Plat.

2.11 Merger. Nothing in this Declaration is intended to limit or restrict in any way the Association's rights or ability to merge with any other association as the Board may feel is in the best interests of the Association and its Members. Upon a merger or consolidation of the Association with another association, all Common Area, rights and obligations shall by operation of law, be transferred to the surviving or consolidated association or, alternatively, shall become 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 by this Declaration within the Property together with the covenants and restrictions established by any supplement upon any other properties as one scheme. However, no such merger or consolidation shall cause a revocation, change or addition covenants in the Declaration as it pertains to the Property, except as provided herein.

ARTICLE III **RESTRICTIVE COVENANTS**

3.1 Lot Usage. No Lot shall be used for any purpose other than as residential dwellings, garage, and grounds. The areas included within the lot line of each individual Lot, but not included within the Dwelling Unit constructed on each Lot, are hereinafter referred to as grounds, and shall be used for normal and customary 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 government body or regulatory agencies.

3.2 Non-Permitted Improvements and Vehicles. No vehicles and no Improvement of a temporary nature or character, including, but not limited to, boats, trailers, house trailers, mobile homes, campers, recreational vehicles, tents, shacks, sheds, barns, or similar Improvements or vehicles shall be used or permitted to remain on any Lot. No automobile, truck, or other commercial vehicle, which contains commercial lettering or logos, shall be parked (for

any period of time in excess of ten consecutive hours) or stored or otherwise permitted to remain on any Lot except in a garage attached to the residence.

3.3 Parking. All boats, buses, recreational vehicles, commercial vehicles, motorcycles, mopeds, all-terrain vehicles, scooters, mini bikes, go carts, motor homes, mobile homes, trailers, and campers kept or maintained in the Community for periods longer than ten (10) hours must be kept in an enclosed garage. All automobiles, vans, and trucks shall be parked within enclosed garages to the extent that garage space is available and, if not, such automobiles, vans, and trucks shall be parked on the driveways of Lots, and not in the Common Areas. Garages shall not be used for storage or in any manner so that they become unavailable for parking automobiles and other transportation vehicles and devices therein. No automobile, van, or truck may be parked along any street for a period longer than ten (10) hours. After such ten (10) hour period, such automobile, van, or truck shall be considered a nuisance and may be removed from the Community by the Board of Directors at the expense of the Owner. Any boat, bus, recreational vehicle, motorcycle, moped, all-terrain vehicle, scooter, mini bike, go cart, motor home, mobile home, trailer, or camper parked on any Lot in violation of this Declaration for periods longer than ten (10) hours shall be considered a nuisance and may be removed from the Community by the Board of Directors at such Owner's expense.

Automobiles and other transportation vehicles or devices which are either dismantled, partially dismantled, inoperative, discarded, or which do not have a valid license plate attached thereto must be stored within an enclosed garage. No Owner or occupant of any Lot shall repair or restore any automobile or other transportation vehicle or device of any kind upon a Lot, except within an enclosed garage or only to the extent necessary to enable its movement in the event of an emergency repair. No used motor vehicle parts shall be stored, kept, or maintained on the Property.

3.4 Antennas or Similar Equipment. The installation of antennas, satellite dishes, and other similar or related equipment or apparatus for the transmission and/or reception of television or radio or other signals (hereinafter collectively "Antennas") shall be subject to such Rules and Regulations adopted from time to time by the Board. Such Rules and Regulations shall be enforceable as if fully set forth herein. Antennas or satellite dishes may only be installed or attached to any portion of the Common Areas by the Board.

3.5 Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment, except where its installation and use is protected by Federal and Florida law, shall be constructed, installed, or maintained upon any Lot unless approved by the DRC in accordance with the provisions herein.

3.6 Firearms. The use of firearms within the Community is strictly prohibited. The term "firearms" includes pellet guns and other firearms of all types, regardless of size, power, or gauge.

3.7 Remodeling or Changes. In order to preserve the character of Coastal Woods, no exterior walls or roofs of any Improvement (including materials and colors of said walls and roofs) shall be changed or modified without specific prior written approval of the DRC. Additionally, no Dwelling Unit shall be enlarged by any addition thereto or to any part thereof, and no Owner shall make any improvement, addition, or alteration to the exterior of their

Dwelling Unit, including, without limitation, the painting, staining, or varnishing of the exterior of the Dwelling Unit, including doors, garage doors, driveways and walkways, without the prior written approval of (i) the DRC, which approval may be withheld for purely aesthetic reasons, and (ii) all applicable governmental entities.

3.8 No Garage Conversions. No garage shall be converted to uses other than storage of vehicles or other personal property unless the DRC has approved another garage to be constructed as a replacement.

3.9 Owner Maintenance. All Owners shall keep landscaped portions of their grounds well maintained, free of disease, bugs and in a presentable condition, and shall not permit thereon any unsightly growth, weeds, or underbrush. If any Owner shall fail to maintain the landscaped portion of their Lot as herein required, the Association shall have the power to correct such omission by entering onto the offending Owner's Lot which such entry shall be deemed to be granted herein by the Lot Owners and shall not be deemed an unlawful trespass. The Association may assess the cost thereof to such Owner and place a lien for such cost against Owner's Lot and improvements thereon. 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 Association shall have the right to adopt additional Rules and Regulations to enforce this subsection.

3.10 Association Maintenance Rights. Without limiting the above, the Association shall have the right to maintain, require, and enforce maintenance of that portion of Common Areas, street rights of way or Lots lying between fence line and the abutting Lot line or lying between the curb of a street within the Property and the Lot line. All Owners must maintain the portion of the street right of way located directly in front of their Lot lying between the front Lot line and the street curb. Additionally, all Owners whose Lot(s) abut a lake shall maintain the lands located between the rear lot line of the Lot and the water's edge. The Association shall have the right to adopt Rules and Regulations to enforce this provision.

3.11 Domesticated Animal Control. No animals of any type shall be raised, bred, or kept within the Community, except that fish tanks and domestic dogs or cats may be kept in each Dwelling Unit. A maximum of two (2) common household pets, such as a dog or cat, are permitted in each Dwelling Unit. Any pet must be carried or kept on a leash when outside of a Dwelling Unit or fenced-in area. Any pet must not be a nuisance or annoyance to other residents of Coastal Woods. All residents and Owners shall pick up and remove any solid animal waste deposited by his pet in Coastal Woods, including in designated pet-walk areas, if any. No commercial breeding of pets is permitted within Coastal Woods. The Association may require any pet to be immediately and permanently removed from the Property due to a violation of this use restriction. An Owner is responsible for the cost of repair or replacement of any Association Property damaged by his or her pet. Each Owner who determines to keep a pet thereby agrees to indemnify the Association and Declarant and hold them harmless against any loss or liability of any kind or character whatsoever arising from or growing out of his or her having any animal on the Property.

3.12 Livestock Prohibition. Except as provided otherwise in Section 3.11 above, no livestock, swine, poultry, or animals of any kind other than those described in the preceding Section shall be raised, bred, or kept within Coastal Woods.

3.13 Wildlife. Substantial wildlife exists within the Community, including, but not limited to, gopher tortoises, alligators, armadillos, birds, fish, snakes, deer, squirrels, and raccoons. Such wildlife may exist both in areas designated as special preservation areas and throughout the Community, some of which wildlife may be dangerous. No Owners, residents, or their guests shall harass, harm, pursue, hunt, shoot, wound, kill, trap, feed, capture, or collect any wildlife within the Community, except in circumstances of clear and present danger to the safety of Persons, pets, and/or the wild animal itself. Any Owner, residents, or their guests associated with, involved in, and/or otherwise related to any activity of capturing, killing, and/or trapping wildlife in the Community shall promptly report the activity to the board and to any governmental authority which may be required to receive such reporting pursuant to applicable law.

3.14 Wetlands, Lakes, and Other Water Bodies. Except for bodies of water designated by Declarant and/or Board (as applicable) for specific recreational purposes (if any), the creeks, lakes, ponds, streams, wetlands, and/or other bodies of water within Coastal Woods serve only as aesthetic features, and no active use of such bodies of water is permitted. The Declarant and/or the Association shall not be responsible for any loss, damage, and/or injury to any Person or property arising out of or related to the authorized or unauthorized use of bodies of water within or adjacent to Coastal Woods.

3.15 On-Site Fuel Storage. No on-site storage of gasoline or other fuels shall be permitted on any Lot, except that up to five (5) gallons of fuel may be stored on each Lot for emergency purposes and operation of lawn mowers and similar tools or equipment. Propane tanks normally associated with outdoor barbecue grills are permitted above-ground. This restriction is designed to reduce environmental risks associated with fuel storage and to minimize the hazards associated with on-site fuel storage.

3.16 Increase in Insurance Rates. No Owner may engage in any action which may reasonably be expected to result in an increase in the rate of any insurance policy or policies covering or with respect to any portion of the Property not owned by such Owner.

3.17 Sign Control. No sign of any kind (including but not limited to and without limitation, circulars, billboards, and/or posters) shall be erected, permitted to remain on or displayed to public view on or from any Lot (including within any window) without the prior written approval of the DRC. Notwithstanding the foregoing, the following shall be permitted without prior approval of the DRC: (i) street number and name signs; (ii) one (1) professionally made, non-digital, non-electric (or otherwise illuminated) sign constructed of metal or wood, installed on one wooden 4" by 4" post, and of not more than eight (8) square feet of surface area per side (2 sides maximum), containing no handwriting whatsoever, and used solely in connection with the marketing of the affected Lot for sale or lease; and as required to be permitted by applicable law. Wire-stake signs, commonly known as "H-Frame" or "U-Frame" signs, are expressly prohibited. The DRC shall have the right to establish guidelines so as to require a uniform standard for signs in the Community. Additionally, an Owner may display a sign of reasonable size provided by a contractor for security services provided that said sign is located no more than ten (10) feet from any entrance to a Dwelling Unit. Declarant or the Association may enter upon any Lot and remove and destroy any sign which violates this Section.

This Section shall not apply to Declarant or to any builder doing business in the Property provided that any such builder first obtains Declarant's written approval of any such signs structures or materials prior to installing same, such approval to be granted, conditioned or denied by Declarant in Declarant's sole and absolute discretion. Declarant and builders designated by him reserves the right to erect signs, flags, or the like upon Common Areas or Lots owned by Declarant for the purpose of advertising or marketing Declarant's Lots or Coastal Woods in general to the public.

3.18 Window Decor. No newspaper, aluminum foil, sheets or other temporary window treatments shall be permitted, except for periods not exceeding two (2) weeks after an Owner or lessee first moves into a Dwelling Unit or when permanent window treatments are being cleaned or repaired. Window tinting is permitted provided that the type and method of tinting is first approved by the DRC.

3.19 Nuisances. No obnoxious or offensive activity shall be carried on or about the Lots or in or about any Improvements, Dwelling Units, or on any portion of the Community nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any Owner. No use or practice shall be allowed in or around the Dwelling Units which is a source of annoyance to Owners or occupants of Dwelling Units or which interferes with the peaceful possession or proper use of the Dwelling Units or the surrounding areas. No loud noises or noxious odors shall be permitted in any Improvements, Dwelling Units, or Lots. Without limiting the generality of any of the foregoing provisions, no horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, unlicensed off-road motor vehicles or any items which may unreasonably interfere with television or radio reception of any Owner shall be located, used or placed on any Lot, or exposed to the view of other Owners without the prior written approval of the Board.

3.20 No Improper Use. No improper, offensive, hazardous or unlawful use shall be made of any Dwelling Unit nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any portion of the Property. No activity shall be conducted in any Dwelling Unit that involves the production or distribution by any means, whether electronic or otherwise, of pornographic, adult, nude, or sexually oriented or explicit materials, content or entertainment. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction relating to any Dwelling Unit or Lot shall be corrected by, and at the sole expense of, the Dwelling Unit's or Lot's Owner.

3.21 Trash and Other Materials. 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 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. No clothing or other household items shall be hung, dried, or aired in such a way as to be visible from the Association Property or another Lot. No stripped vehicles, lumber or other building materials, grass, tree

clippings, metals, scrap, automobile pieces or parts, refuse, or trash shall be stored or allowed to accumulate on any portion of the Property (except when accumulated during construction by Declarant, during construction approved by the DRC, or when accumulated by the Association for imminent pick-up and discard).

3.22 Clotheslines. Unless otherwise permitted by applicable law and only to the extent permitted therein, no clothesline or clothes drying which is visible from outside a Lot shall be undertaken or permitted on any portion of the Community.

3.23 Fences and Shrubs. Fence or wall placement and hedge or shrub planting near streets shall be subject to DRC approval and in compliance with the applicable provisions of the Ordinances of the City of New Smyrna Beach.

3.24 Tree Removal. Removal of trees from any Lot within the Community shall be in accordance with applicable provisions of the DRC and Ordinances of the City of New Smyrna Beach.

3.25 Driveways. Each Lot Owner is granted an exclusive easement for ingress and egress purposes over those parts of the Common Areas upon which a driveway to said Owner's garage is built, said easement running with the land. It shall be the Owner's duty and obligation to maintain and repair said driveway in good condition. The 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.

3.26 Garages. No garage shall be permanently enclosed so as to make such garage unusable by an automobile, and no portion of a garage originally intended for the parking of an automobile shall be converted into a living space or storage space and no garage opening shall have a screen covering without the consent of the Association. All garage doors shall remain closed when vehicles are not entering or leaving the garage.

3.27 Construction of Improvements. No Dwelling Unit may be temporarily or permanently occupied until the exteriors thereof and the landscaping of the Lot on which the Dwelling Unit is located have been completed, and a certificate of occupancy for such Dwelling Unit has been issued by the applicable Government Authority. No temporary dwelling, shack, tent, or other outbuilding shall be permitted on any Lot at any time. During the continuance of construction by an Owner, such Owner shall require its contractors to: maintain the Lot and Dwelling Unit in a reasonably clean and uncluttered condition; to the extent possible, keep all construction trash and debris within refuse containers; and keep the construction site secure by the use of temporary fences during construction. Upon completion of construction, such Owner shall cause its contractors to immediately remove all equipment, tools, and construction material and debris from the Lot and/or Dwelling Unit which such construction has been completed.

3.28 Temporary Structures. No tent, shack, shed or other temporary building or Improvement, other than separate construction and sales trailers to be used by Declarant, its agents and contractors, for the construction, service and sale of the Community or other

communities, shall be placed upon any portion of the Property, either temporarily or permanently. No trailer, motor home or recreational vehicle shall be: (i) used as a residence, either temporarily or permanently, or (ii) parked upon the Property.

3.29 Oil and Mining Operations. No oil drilling, oil development operations, oil refining, boning or mining operations of any kind shall be permitted upon or on any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

3.30 Excavation. No clearing or excavation shall be made except incident to construction, maintenance or repair of a DRC approved Improvement (or by Declarant or in connection with development of the Property) and must be in accordance with the applicable permit; and upon completion thereof exposed openings shall be back-filled, and disturbed ground shall be leveled, graded and covered with sod or seeded in accordance with the approved Plans and the applicable permit.

3.31 Yard Accessories and Play Structures. Except as otherwise required by law, all yard accessories and play structures, including basketball hoops or backboards and any other fixed games, shall be located at the side or rear of the Dwelling Unit, except that, in the case of Dwelling Unit(s) on corner Lots, such accessories and structures shall be restricted to the side yard furthest from the side street and to that portion of the rear yard which is no closer to the side street than a fence would be permitted to be located by the governmental authorities. The location of any play structure or permanent basketball structure shall be approved by the DRC prior to location of the structure on a Lot. Basketball structures, either permanently mounted to a Dwelling Unit above the garage or mounted to a permanent pole, will be allowed only under the following conditions:

1. basketball hoops and structures must be well-maintained;
2. backboards must be transparent or white, NBA approved, with a limit of two colors of trim;
3. nets are limited to white nylon;
4. the location of the basketball hoop and structure must first be approved by the ARB;
5. If pole-mounted, the pole must be metal, either black or galvanized and permanently mounted into the ground with a concrete base; and
6. No permanent basketball structures may be placed in any side yard.

Temporary basketball structures are allowed provided that they meet the requirements of items (1) through (3) above. Temporary basketball structures shall be placed in the garage or laid down behind a fence when

not in use so as not to be seen from the Streets or neighboring Lots. The time of play of basketball may be limited by the Board or the DRC to reasonable daylight hours.

7. Tree houses are prohibited within the Community.
8. The DRC may regulate the size and number (which could be zero) of permitted decorative statues or figures, birdbaths, bird houses, lawn ornaments and other yard art.

3.32 Subdivision and Partition. No Lot on the Property shall be subdivided without the ARB's prior written consent except by Declarant.

3.33 Pools. Swimming pools may not be located in the front or side yard of any Lot, nor nearer than Dwelling Unit to any side street lot line. Swimming pools, spas, hot tubs, decks, screens, screen enclosures, lanais, etc. (collectively, "Pool Improvements"), shall be designed to be compatible and "tie in" with the architecture and material of the subject Dwelling Unit. Screen enclosures and lanais shall be a maximum of one (1) story in height (unless building architecture, as determined by the Dwelling Unit, requires two (2) stories in height). Tree protection barricades shall remain throughout construction of all Pool Improvements. All swimming pools shall be constructed and built at existing grade unless otherwise expressly approved by the DRC. All Pool Improvements construction shall, at all times, be in accordance with all applicable laws. In no event shall any above-ground swimming pool be permitted within the Community. All swimming pool materials, equipment, and play toys stored on any Lot shall be screened from view from outside the Lot. Swimming pool security fencing and screen enclosures shall be installed subject to applicable hurricane standards within the Florida Building Code or other applicable jurisdictional codes. No Pool Improvements may be constructed, erected, or maintained upon any Lot without the prior written approval of the DRC:

3.34 Use; Rentals; Timesharing.

A. Lots shall be used for residential purposes only. No trade, business, profession, occupation or other commercial activity or use shall be conducted on any Lot or within any Dwelling Unit, provided, however, that an Owner or lawful tenant of a completed Dwelling Unit may use a single room within the Dwelling Unit as an office for conducting business as long as the business: (i) does not involve or require regular visitation of the Lot or Dwelling Unit by clients, customers, suppliers, service providers, or other business invitees, or door-to-door solicitation within the Community; (ii) does not include the manufacture or distribution of any products or goods in the Dwelling Unit or on or from the Community; (iii) is not apparent or detectable by sight, sound, or smell from outside the Dwelling Unit; (iv) complies with applicable land use and zoning requirements; (v) is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of others within the Community, as determined from time to time in the Board's sole discretion; and (v) is not a daycare facility, child care facility, or assisted living/hospice facility. No signs shall be placed on any Dwelling Unit or Lot which identifies the Dwelling Unit or Lot as a place of business. For purposes of this Section, "business" shall have its ordinary, customary, generally accepted meaning and shall include, without limitation, any

occupation, work, trade, or activity undertaken from time to time or on an ongoing basis which involves providing goods or services to persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of monetary or non-monetary consideration, regardless of whether: (A) such activity is engaged in full or part-time; (B) such activity is intended to or does generate a profit; or (C) a license is required. This Section shall not apply to restrict Declarant's or Declarant's affiliates' activities, nor shall it restrict the activities of Persons or entities Declarant approves with respect to the development and marketing/sale of property within the Community. This Section also shall not apply to Association activities related to the provision of services or to operating and maintaining the Community, including the Community's recreational and other amenities. Leasing a Dwelling Unit is not a "business" within the meaning of this Section. Temporary uses of Lots by Declarant and its affiliates or assigns (including builders as may be designated by Declarant from time to time) for model homes, sales displays, parking lots, sales offices, and other offices or uses, or any one or combination of the foregoing, shall be permitted until permanent cessation of such uses takes place. No changes may be made in buildings or structures erected by Declarant or its affiliates (except if such changes are made by Declarant) without the consent of Declarant and the DRC as provided herein.

B. Owners shall be permitted to lease their Dwelling Unit, provided that such lease shall require the tenant thereunder to comply with the Governing Documents and the terms and conditions of the Rules and Regulations. "Short-Term Rentals" (as that term is defined below) of Dwelling Units are prohibited. For purposes of this Declaration, the term "Short-Term Rentals" shall mean and refer to the leasing or rental of any Dwelling Unit or Lot to a person or entity for a period of less than seven (7) consecutive months. Should an Owner enter into a lease or rental agreement, and said lease or rental agreement shall terminate or expire earlier than stated therein, then Owner may only enter into one more lease or rental agreement in the calendar year in which the previous lease or rental agreement terminated or expired. The subleasing or sub-renting of a Dwelling Unit is subject to the same requirements and limitations as are applicable to the leasing or renting thereof. If an Owner intending to lease or rent a Dwelling Unit is delinquent in the payment of Assessments, the Association shall be entitled, but not required, to prohibit the Owner from renting or leasing the Dwelling Unit until such delinquency is made current. From time to time, the Association may reserve the right to approve of any form of lease that an Owner wishes to use, or otherwise require inclusion in a lease of certain provisions that the Association may deem necessary or appropriate to assure the tenant's compliance with all the terms and provisions of the Governing Documents and the Rules and Regulations. The Association may charge a reasonable administrative fee not to exceed One Hundred and No/100 Dollars (\$100.00) for the required review of any lease or rental agreement, or other such amount as permitted by law from time to time. Dwelling Units shall be leased in their entirety, and no individual rooms may be leased. Maintenance and payment of Assessments and fees are the responsibility of the Owner.

C. No time sharing plan (as defined in Chapter 721, Florida Statutes, as may be amended from time to time), or any similar plan of fragmented or interval ownership of Dwelling Units shall be permitted. De facto timesharing of a Dwelling Unit shall not be permitted. By way of example but not limitation, de facto timesharing shall include use of a Dwelling Unit by multiple persons, such as siblings or business associates, who intend that they

and their families would split occupancy of the Dwelling Unit into different periods for use during the year.

3.35 Notice of Transfer. An Owner shall notify the Association in writing of the transfer of their Lot or Dwelling Unit prior to such transfer, furnishing the Association with the names and contact information for the transferees. After the transfer, it shall then be the responsibility of the transferee to furnish the Association with a recorded copy of the instrument of conveyance indicating the new Owner's mailing address for all future Assessments and other correspondence from the Association. It is not the intention of this Section to grant to the Association a right of approval or disapproval of purchasers. It is, however, the intent of this Section to impose an affirmative duty on the Owners to keep the Association fully advised of any changes in ownership for the purposes of facilitating the management of the Association's membership records. Transfer of the membership in the Association appurtenant to a Lot or Dwelling Unit shall be established by the recording in the Public Records of Volusia County, a deed or other instrument establishing a transfer of record title to the Lot or Dwelling Unit 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, her/his membership shall be automatically transferred to her/his heirs or successors in interest. Notwithstanding the foregoing, the Association shall not be obligated to recognize 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 or Dwelling Unit.

3.36 Tree Removal and Landscaping. Except if done by Declarant, unless otherwise approved by the DRC, no trees shall be removed, except for diseased or dead trees (which shall thereafter be replaced) and trees needing to be removed to promote the growth of other trees or for safety reasons.

3.37 Common Area Management and Ownership. The Association shall operate, maintain, and manage all Common Areas, all islands located in the streets, all private roads, the gates and guardhouses, and all road rights-of-way which are not maintained by the City of New Smyrna Beach, whether or not such Common Areas, islands or road rights-of-way are shown on a plat. It is intended that the Association shall maintain all rights-of-way and all islands, as well as all Common Areas except that area directly in front of a Lot lying between the front Lot line and the street curb which shall be maintained by the Lot Owner. The Association must accept any deed to the above-described areas from Declarant when tendered by Declarant. Declarant is authorized to record such deeds prior to delivering same to the Association. The Association 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 Bylaws of said Association.

3.38 Stormwater Management.

A. Maintenance of Stormwater System and Discharge Facilities; Management and Ownership of Drainage Areas and Conservation Easement Areas; Easement for Access and Drainage. The Association shall be responsible for the maintenance, operation and repair of the Surface Water or Stormwater Management System located within the Property

boundaries, and shall also manage and maintain all discharge facilities and preserve the natural assets and materials located within the Drainage Areas and Conservation Easement Areas. Any amendment to the Declaration which alters 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 St. Johns River Water Management District ("SJRWMD"), the County of Volusia and the City of New Smyrna Beach.

B. ALL OWNERS ARE HEREBY ADVISED THAT A PERMIT FROM THE SJRWMD WILL BE REQUIRED IF ANY OF THE FOLLOWING ITEMS ARE PROPOSED: (1) ANY ALTERATION TO THE STORMWATER MANAGEMENT SYSTEM; OR (2) ENCROACHMENT INTO THE WETLANDS, WETLAND BUFFERS, OR ADJACENT OFF-SITE PROPERTY LINE BUFFERS.

C. Easements for Access and Drainage.

1. The Association shall have a perpetual non-exclusive easement over all areas of the Stormwater Management System for access thereto and to operate, maintain or repair the system. By virtue of said easement, the Association shall have the right to enter upon any portion of any Lot which is a part of the Stormwater Management System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Stormwater Management System as required by the Permit, subject to any maintenance responsibilities assumed by any Governmental Authorities. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire Stormwater Management System. No person shall alter the drainage flow of the Stormwater Management System, including buffer areas or swales, without the prior written approval of the Association and the SJRWMD.

2. Each Owner (including Declarant) shall have a non-exclusive right and easement of use and enjoyment to drain across the Stormwater Management System in accordance with the Permit, District rules, and the Rules and Regulations.

D. LIABILITY. NEITHER DECLARANT NOR THE ASSOCIATION SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANTS, OR INVITEES IN CONNECTION WITH THE RETENTION LAKES (IF ANY) AND DRAINAGE FACILITIES OR ANY PART OF THE STORMWATER MANAGEMENT SYSTEM. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS, OR INVITEES, RELEASES DECLARANT AND THE ASSOCIATION FROM ANY LIABILITY IN CONNECTION THEREWITH.

3.39 Insurance. Each Lot Owner shall, at all times after construction of a Dwelling Unit on the Lot, and each Owner of a Dwelling Unit shall maintain fire and extended coverage casualty insurance on the improvements on such 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, if any, must carry casualty insurance.

3.40 Changes in Covenants. Any amendment to the Covenants 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 written approval of SJRWMD.

3.41 Amendments to Community Plats. Declarant or its successors or assigns, subject to approval of SJRWMD and the City of New Smyrna Beach regarding amendments to Conservation Easement Areas, shall solely retain the right to amend or replat the plats of the present and any future phases and units of the Community, without requiring concurrence by the Association, Lot Owners, or Dwelling Unit Owners, provided amendments are consistent with Article XIII (Covenants Against Partition and Separate Transfer of Common Areas) of this Declaration.

3.42 Drainage Swales. Declarant has constructed drainage swales upon each Lot 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, and other stormwater management capabilities as permitted by SJRWMD. Filling, excavation, construction of fences, or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the drainage swales 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 Owners of the Lots upon which the drainage swale is located.

3.43 Approved Builders. All development, construction, and reconstruction of any Dwelling Unit or other Improvements on or about a Lot shall be performed by a builder approved by Declarant, or by another licensed residential building contractor approved by Declarant or, after Turnover, the DRC.

3.44 Compliance with Documents. Each Owner and their family members, tenants, guests, and invitees shall be bound by and abide by the Governing Documents. 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 Community. Such Owner shall be liable to the Association and shall pay the cost of any maintenance, repair, or replacement of any real or personal property located on the Property rendered necessary by his or her act, neglect, or carelessness, or by that of any other of the foregoing parties.

3.45 Additional Restrictions. The foregoing use restrictions shall not be deemed to be all inclusive nor restrict the right of Declarant or the Association (as applicable) to adopt such reasonable Rules and Regulations governing the use of the Community as it may determine from time to time, provided that such Rules and Regulations are not in conflict with the provisions hereof. Declarant has the right to approve any rule or modification thereof. In addition to any further restrictions which may be promulgated in the Rules and Regulations, Declarant also reserves the right to impose additional restrictions in the conveyance of title to any Lot and/or Dwelling Unit, provided that such deeded restrictions are identified in the purchase agreement between Declarant and the Owner, and provided such deeded restrictions do not otherwise conflict with the restrictions herein.

3.46 No Implied Waiver. The failure of the Association or Declarant to object to an Owner's or other party's failure to comply with the covenants or restrictions contained herein or any other Governing Document (including the Rules and Regulations now or hereafter promulgated) shall in no event be deemed a waiver by Declarant or the Association or of any other party having an interest in the Property of its right to object to same and to seek compliance in accordance with the provisions of the Governing Documents.

3.47 This Article shall not apply to (i) Declarant's activities so long as Declarant owns any portion of Coastal Woods or any real property adjacent to Coastal Woods, or (ii) to activities of the Association prior to Turnover.

ARTICLE IV **ARCHITECTURAL CONTROL**

4.1 Design Review Committee. All Lots and Dwelling Units in the Property are subject to architectural review in accordance with this Article and any planning, construction, development, or other architectural criteria, guidelines, or procedures (collectively, "Planning Criteria") adopted and revised from time to time by the Design Review Committee (hereinafter, "DRC"). The Planning Criteria may include any matters considered appropriate by the DRC not inconsistent with the Governing Documents or Florida law.

Except for Declarant, no Person or entity (including the Association) may erect on, place on, alter the appearance, or permit any Improvement or addition to remain within Coastal Woods unless and until the site plan, floor, plan, elevation, exterior paint and roof colors of a Dwelling, landscaping plan, abbreviated specifications, or any other proposed action or plan are reviewed and approved by the DRC. Additionally, any alteration of exterior colors of a Dwelling or major changes to landscaping of a Dwelling must be reviewed and approved by the DRC in advance. The DRC is a committee of the Association (with or without express approval of the Association) for the purposes of enforcing the decisions of the DRC, including but not limited to injunctive relief. In order to preserve the character of Coastal Woods, Declarant hereby reserves for itself and its successors the right to appoint the members of the DRC. All property owned or controlled by the Association is subject to the DRC's authority.

Two (2) sets of Plans and specifications shall be submitted to the DRC by the Owner prior to applying for a building permit from the City. The DRC shall review proposed buildings or Improvements (including plans and specifications for same or alterations of prior approved buildings or Improvements) as to the harmony of the external design and location of the building or Improvement with respect to existing buildings and Improvements, with respect to topography, vegetation, drainage, and the finished grade of elevation of the Lot, and with respect to any other relevant considerations the DRC deems appropriate which are based upon acceptable standards of planning, zoning, construction, and shall include the requirements of the Coastal Woods Master Development Agreement, recorded in Official Record Book 7207, Page 4743, et seq., of the Public Records of Volusia County, Florida, as amended from time to time. The DRC may include considerations which are exclusively based on aesthetic factors. Owners will remain responsible for securing City building permits as necessary after securing approvals from the DRC.

4.2 Membership of DRC. Prior to Turnover, Declarant shall be entitled to appoint all members of the DRC. The initial members of the DRC shall hold office until all Lots and Dwelling Units have been conveyed to Third Party Purchasers or such earlier time as Declarant may, in its sole discretion, elect. Thereafter, the membership of the DRC shall be determined by the Board. The DRC shall consist of no less than three (3) members, none of whom shall be required, prior to Turnover, to be Owners or occupants of the Property. The DRC shall always consist of an odd number of members. No member of the DRC shall be entitled to compensation for services performed, but the DRC may employ professional advisors and pay reasonable compensation to such advisors as Common Expense. Members of the DRC (other than those appointed or designated by Declarant) may be removed by the Board at any time without cause. Members of the DRC appointed or designated by Declarant may only be removed by Declarant, which removal may be at any time without cause.

4.3 Waiver of Liability. None of Declarant, the DRC, the Directors or the Association, or any agent, employee or officer thereof, shall be liable to anyone submitting Plans for approval or to any Owner, occupant, tenant, subtenant, invitee, licensee or guest of the Property by reason of or in connection with approval or disapproval of any Plans, or for any defect in any Plans submitted, reviewed, revised or approved in accordance with the requirements of the DRC, or for any structural or other defect in any work done according to or contrary to such Plans. Approval of Plans, or any other approvals, variances or consents by the DRC, are given solely to protect the aesthetics of the Property in the judgment of the DRC and shall not be deemed a warranty, representation or covenant that any action taken in reliance thereon complies with all applicable laws, nor shall DRC approval be deemed approval of any Plan or design from the standpoint of structural safety or conformity with building or other codes. Every Person who submits Plans for approval agrees, by submission of such Plans, and every Owner or occupant, tenant and subtenant of any Lot agrees, by acquiring title thereto or an interest therein, that it will not bring any action, proceeding or suit to recover any such damages and shall be deemed to have automatically agreed to hold harmless and indemnify the Board, the DRC, Declarant and the Association, and all of the foregoing's directors, officers, members, agents and employees from and for any loss, claim, liability, expenses, causes of action or damages connected with the aforesaid aspects of the Plans, Improvements or alterations.

4.4 Enforcement. Declarant and the Association shall have standing and authority on behalf of the Association to enforce in courts of competent jurisdiction the Planning Criteria and the decisions of the DRC. Should Declarant or the Association be required to enforce the provisions hereof by legal action, the reasonable attorneys' and paralegals' fees and costs and expenses incurred, whether or not judicial proceedings are involved, including the attorneys' and paralegals' fees and costs, and expenses incurred on appeal from judicial proceedings, shall be collectible from the violating Owner. Should any Owner fail to comply with the requirements hereof after thirty (30) days' written notice, Declarant and the Association shall have the right, but not the obligation, to enter upon the Owner's Lot, make such corrections, alterations or modifications as are necessary, or remove anything in violation of the provisions hereof, the Rules and Regulations, or the Planning Criteria, and charge the costs and expenses thereof to the Owner in the form of special Assessments against the Lot owned by the Owner. Declarant, the Association the Board and the DRC and all of the foregoing's directors, officers, members, agents and employees, shall not be liable to the Owner or to any occupant or invitee of any Lot

for any trespass or damages or injury to property or person for any action taken hereunder unless caused by gross negligence, intentional misconduct or intentional wrongdoing.

4.5 Exemption. Declarant, before and after Turnover, shall be exempt from the Planning Criteria, the DRC Rules and the architectural control provisions of this Article. Declarant, before and after Turnover, shall be entitled to construct or install any new Improvement, and to alter or change or modify any existing Improvement, without submitting Plans to or obtaining the approval of the DRC. Upon approval by the DRC of Plans for a Dwelling Unit design submitted by a builder, those builder Plans shall be deemed approved for the construction of Dwelling Units throughout the Community, and the approved builder Plans (including modifications to the approved builder Plans necessary or desirable to facilitate construction of a Dwelling Unit on a Lot in the Community), are exempt from further DRC review and approval on any other Lots within the Community. Additionally, approved builder Plans shall be deemed to meet the requirements of the Planning Criteria.

4.6 DRC Rules and Regulations. The DRC may adopt reasonable rules of procedure and standards for the submission and review of any matter to be brought before it and the inspection and final approval of any completed work done pursuant to an approval of the DRC (the "DRC Rules"). The DRC Rules shall be: (i) at the discretion of the Board, subject to the prior approval of the Board, (ii) consistent with the Planning Criteria, (iii) consistent with the covenants and restrictions set forth in this Declaration, and (iv) published or otherwise made available to all Owners, prospective Owners and their contractors, subcontractors and other appropriate designees. All DRC Rules shall be adopted and/or amended by a majority vote of the DRC.

4.7 Fees; Assistance. The Board may, by the DRC Rules and/or other resolution, establish and charge reasonable fees for the DRC's review of Plans hereunder and may require such fees to be paid in full prior to review of any Plans. Such fees may include, but are not limited to, the reasonable costs incurred in having any Plans reviewed by architects, engineers, and/or other professionals. Separately, to the extent Declarant or the Association may employ architects, engineers, and/or other Persons as deemed necessary to perform the review, the Board may include the compensation of such Persons in the Association's annual operating budget as a Common Expense.

4.8 No Waiver of Future Approvals. Each Owner acknowledges that the individuals reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Planning Criteria, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Plans until the work is completed, in which case it may be unreasonable to require changes to the Improvements involved, but the DRC may refuse to approve similar proposals in the future. Approval of applications or Plans for any Work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

ARTICLE V

COASTAL WOODS HOMEOWNERS' ASSOCIATION

5.1 Incorporation. Declarant has caused Coastal Woods Homeowners' Association, Inc., a Florida corporation not-for-profit, to be incorporated pursuant to the Florida Statutes.

5.2 Purpose. The purposes of the Association include, but are not limited to:

A. Promoting health, safety, and general welfare of the residents of Coastal Woods;

B. Constructing, installing, improving, maintaining, and repairing any properties lying within the Common Areas which give common benefit to all residents in Coastal Woods;

C. Adopting such guidelines and rules as it deems necessary to control the overall appearance of the Common Areas in Coastal Woods, as well as the uses thereof;

D. Purchasing, installing, and maintaining any improvements which the Association deems necessary for the improvement of Coastal Woods including, but not limited to, the installation and maintenance of median and entry-way landscaping, entry-way(s) signage, street lighting, if applicable, within Coastal Woods and other similar improvements;

E. Owning, constructing, and maintaining any recreational or amenity facilities which the Association deems to be in its best interest;

F. Maintaining any easement areas, Common Area, and detention ponds within Coastal Woods which are not deemed properly maintained by the individual Lot Owners;

G. Except as provided herein, owning, operating, and maintaining the Surface Water or Stormwater Management System as permitted by SJRWMD, including all lakes, retention areas, culverts, and related appurtenances. Alterations to the permitted system will require a permit from SJRWMD.

H. Taking any and all actions necessary to enforce all covenants, restrictions, conditions, and easements affecting the Property and performing any of the functions or services delegated to the Association in the Governing Documents.

I. Conducting business of the Association and including arranging for ancillary administrative services such as legal, accounting, financial, and communication services such as informing Owners of activities, meetings, and other important events; and

J. Accepting any instrument of conveyance with respect to any Common Areas delivered to the Association.

5.3 Membership and Voting Rights.

A. The Owner of each Lot and the Owner of each Dwelling Unit shall automatically and mandatorily become a Member of the Association upon his or her acquisition of any ownership interest in the title to any Lot or Dwelling Unit. The membership of such Owners shall terminate automatically at the time that such Person divests themselves or is divested of such ownership interest or title, regardless of the means by which such ownership may have been divested.

B. No Person or corporation or other business entity holding any lien, mortgage, or other encumbrance upon any Lot or Dwelling Unit shall be entitled by virtue of such lien, mortgage, or other encumbrance, to 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 or Dwelling Unit either by foreclosure or by voluntary conveyance from a mortgagor or the mortgagor's successors or assigns.

C. The Association shall have two classes of voting membership:

(a) Class A: Class A Members shall be all Owners, with the exception of Declarant, of any plot of land shown upon any recorded Plat of the Property (Lot or Lots). Each Class A Member shall be entitled to one (1) vote for each Lot owned. When more than one Person holds an interest in any Lot, each such Person shall be a Member, however, the vote for such Lot shall be exercised as they collectively determine, and in no event shall more than one (1) vote be cast with respect to any Lot.

(b) Class B: The sole Class B Member shall be Declarant, or its specifically designated (in writing) successor(s) or assign(s). The Class B Member shall be allocated the number of votes equal to the total number of Class A Member votes, plus one (1). Unless converted earlier and voluntarily by Declarant, the Class B membership shall cease and be converted to Class A membership upon the first to occur of either of the following events:

- i. Three (3) months after ninety percent (90%) of the Lots in the Community have been conveyed by Declarant, or its successors or assigns, to Members other than builders, contractors, or others who purchase Lots for the purpose of constructing Improvements thereon for resale; or
- ii. Declarant, or its successors or assigns, so elects by written notice to the Association to terminate its Class B membership.

5.4 Adoption of Rules and Regulations. The Association may adopt and enforce reasonable Rules and Regulations regarding security that may be provided within the Community. The Association shall enforce the restrictions and covenants contained herein, as well as any 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, the Articles of Incorporation, and Bylaws.

5.5 Management and Enforcement Authority. In the administration, operation, and management as herein designated to the Association and in the enforcement of the applicable Covenants, the Association, in addition to any authority granted elsewhere herein, shall have and is hereby granted full power and authority: (a) to enforce all applicable provisions of this Declaration; (b) to levy and collect Assessments in accordance herewith; (c) to suspend a Member's use of Common Areas and levy and collect fines in accordance with Section 720.305(2), Florida Statutes; (d) 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 Property within the Association's ownership or control; and (e) to enter upon any Lot (which said entry shall be deemed with the permission of the Lot Owner and not an unlawful trespass) to cure any violation or to otherwise enforce this Declaration.

ARTICLE VI

THE AMENITY AREA AND AMENITY FACILITIES

6.1 Amenity Area. Declarant has designated a parcel of land within the Community as an Amenity Area. The Amenity Area may be developed as a development park/residential service area to serve residents of the Community or Declarant may leave it as a passive, undeveloped area. Initially, the Amenity Area will be available for passive use. At Declarant's option, however, the designated parcel may be developed. The designated parcel shall, at Declarant's option, be retained by Declarant. Declarant shall not be deemed to have conveyed the designated parcel to any entity except by delivery of a deed.

6.2 The Amenity Facilities. Declarant may, in its sole discretion, construct Amenity Facilities within the Amenity Area, which, subject to the provisions hereof. Declarant may, in its sole discretion, construct or cause construction of the Amenity Facilities. Declarant shall be the sole judge of the foregoing, including the plans, specifications, design, location, completion schedule, materials, size, and contents of the facilities, improvements, appurtenances, personality (e.g., furniture), color, textures, finishes, or Common Areas, or changes or modifications to any of them. Declarant is not obligated to, nor has it represented that it will, construct the Amenity Facilities. If constructed, Declarant has the absolute right to, from time to time, alter or change the Amenity Facilities, including construction of additional facilities or the removal or modification thereof.

Declarant is not obligated to, nor has it represented that it will construct, modify, or add to the Amenity Facilities, or improvements except as otherwise provided herein.

ARTICLE VII

INDEMNIFICATION

7.1 Indemnification of Officers, Directors, 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 investigation, by reason of the fact that he is or was a Director, 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. 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.

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

B. 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 Bylaws, agreement, vote of Members, or otherwise. As to action taken in an official capacity while holding officer, 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 and shall inure to the benefit of the heirs, executors, and administrators of such a Person.

C. The Association shall have the power to purchase and maintain insurance on behalf of any Person who is or was a Director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a Director, 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, or 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 VIII **CONVEYANCE OF ASSOCIATION PROPERTY**

8.1 Title to the Association Property. To the extent herein provided, the Association Property is hereby dedicated to the joint and several use in common of the Owners of all Lots that may, from time to time, constitute part of the Property. Upon the completion of construction of a Dwelling Unit on each Lot located within the Property and any additional Property to be added by Declarant, or at such earlier time determined by Declarant, in Declarant's sole discretion, Declarant or its successors and assigns shall convey and transfer to the Association, by quit claim deed, the fee simple title to the Association Property free and clear of any liens, and the Association shall accept such conveyance, holding title for the Owners as aforementioned. Such conveyance shall be subject to any real estate taxes and assessments due with respect to such Association Property from and after the date of recording this Declaration; any covenants, conditions, restrictions, permits, reservations and limitations then of record; the easements herein set out; any zoning ordinances then applicable; and this Declaration, as the same may be amended from time to time.

8.2 Acceptance of Association Property. At the time of conveyance of the Association Property or any portion thereof, the Association shall be required to accept such property and the personal property, if any, and Improvements appurtenant thereto. The Association hereby agrees to accept the Association Property and the personal property and Improvements appurtenant thereto in "AS IS" "WHERE IS" condition, without any representation or warranty, expressed or implied, in fact or by law, as to the condition or fitness of the Association Property or any portion thereof, and the personal property and Improvements appurtenant thereto.

The Association shall accept any such conveyance of the Association Property and shall pay all costs of such conveyance including documentary stamps and other taxes of conveyance, recording charges, title insurance expenses and insurance fees. The conveyance shall not, however, impair in any way Declarant's rights and easements as set forth in this Declaration.

The Owners (including Declarant as to Lots owned by it) shall have no personal liability for any damages for which the Association is legally liable or arising out of or connected with the existence or use of any Association Property or any other property required to be maintained by the Association.

Subject to the foregoing, Declarant may mortgage any or all portions of the Association Property to finance construction and development expenses, provided that the mortgagee recognizes the rights of Owners under this Declaration and neither the Association nor any Owner is personally liable for paying the mortgage. In such event, neither the Association nor the Owners shall be required to join in or be entitled to consent to such mortgage. The Association Property shall be released from any such mortgage no later than the date of conveyance to the Association.

ARTICLE IX

INSURANCE, CONDEMNATION, AND CASUALTY OR LIABILITY LOSSES

9.1 Association Insurance. The Association shall purchase and maintain the following insurance coverages subject to the following provisions, and the cost of the premiums therefor shall be a part of the Common Expenses:

A. Casualty Insurance. Property and casualty insurance in an amount equal to the then full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage, of all Improvements and personal property which are owned by the Association and now or hereafter located upon the Association Property, which insurance shall afford protection against such risks, if any, as shall customarily be covered with respect to areas similar to the Association Property in developments similar to the Community in construction, location and use.

B. Public Liability Insurance. A comprehensive policy of public liability insurance naming the Association and, until completion of construction of a Dwelling Unit on each Lot located within the Property, Declarant as named insureds thereof insuring against any and all claims or demands made by any person or persons whomsoever for personal injuries or property damage received in connection with, or arising from, the operation, maintenance and use of the Association Property and any Improvements located thereon, and for any other risks insured against by such policies with limits of not less than One Million Dollars (\$1,000,000.00) for damages incurred or claimed by any one person for any one occurrence; not less than Three Million Dollars (\$3,000,000.00) for damages incurred or claimed by more than one person for any one occurrence; and for not less than Fifty Thousand Dollars (\$50,000.00) Property damage per occurrence with no separate limits stated for the number of claims. The Association may also obtain worker's compensation insurance and other liability insurance including, but not limited to, insurance for lawsuits related to employment contracts in which the Association is a party, as it may deem desirable.

C. Fidelity Coverage. Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Board and all others who handle and are responsible for handling funds of the Association shall be maintained in the form of fidelity bonds, which requirements shall be reasonably determined by the Board.

D. Directors' Coverage. Adequate Directors' and officers' liability coverage, which coverage shall be effective from and after the date the Association is created.

E. Other Insurance. The Board may obtain such other forms of insurance (such as non-owned vehicle insurance) as the Board may determine and in such coverage amounts as the Board shall determine to be required or beneficial for the protection or preservation of the Association Property and any Improvements now or hereafter located thereon or in the best interests of the Association and/or its officers and Directors.

F. Cancellation or Modification. All insurance policies purchased by the Association shall provide that they may not be canceled (including for nonpayment of premiums) or substantially modified without at least ten (10) days' prior written notice to the Association and to each first mortgage holder, if any, named in the mortgage clause.

G. Flood Insurance. If determined appropriate by the Board or if required by an institutional mortgagee, a master or blanket policy of flood insurance covering the Association Property, if available under the National Flood Insurance Program, shall be purchased, which flood insurance shall be in the form of a standard policy issued by a member of the National Flood Insurers Association, and the amount of the coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program, or one hundred percent (100%) of the current replacement cost of all buildings and other insurable Property located in the flood hazard area.

H. Condemnation. In the event the Association receives any award or payment arising from the taking of any Association Property or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of such taken areas and Improvements thereon to the extent deemed advisable by the Board and approved by at least two-thirds (2/3) of the total voting interests, and the remaining balance thereof, if any, shall then be distributed pro rata to Owners and mortgagees of Lots as their respective interests may appear.

I. Waiver of Subrogation. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement of said persons, but only to the extent that such insurance proceeds are received in compensation for such loss.

9.2 Individual Insurance. By virtue of taking title to a Lot, each Owner (other than Declarant) covenants and agrees with all other Owners, and with the Association, that each Owner shall carry, at minimum full replacement cost Dwelling Unit protection with building structure replacement cost method extended limits. Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures

comprising its Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration. Said Owner shall pay any costs of repair or reconstruction which is not covered by insurance proceeds. In the event that the structure is totally destroyed, said Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the terms hereof, any Rules and Regulations, and all applicable law. Assessments shall still apply to and be levied against any Lot cleared and thereafter maintained pursuant to the provisions of this Section. Any such cleared Lot shall still, at all times, continue to be responsible for payment of full Assessments, regardless of the fact that the Lot and Owner may not benefit from maintenance and other services otherwise provided by the Association to occupied or improved Lots.

9.3 Insurance Premiums. Premiums for all insurance obtained by the Association pursuant to this Article shall be at Common Expense. The Association, in its discretion, if permitted by law, may elect to self-insure against any risk.

9.4 Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed in payment of any repair or reconstruction by such insurance. Any proceeds remaining after defraying such cost of repair and reconstruction, or in the event no repair or reconstruction is made after making such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association.

9.5 Damage and Destruction.

A. Immediately after the damage and destruction by fire or other casualty of all or any part of the Common Areas covered by insurance written in the name of the Association, the Board of Directors shall proceed with the filing and adjustment of all claims arising under such insurance and shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction means repairing and restoring the property to substantially the same condition in which it existed prior to the fire or casualty.

B. Any damage or destruction to the Common Areas shall be repaired or reconstructed by Declarant, or if after Turnover, at least two-thirds (2/3) of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If the reliable detailed estimates of the cost of the repair or reconstruction or if the amount of insurance proceeds available as a result of such damage or destruction is not available within such sixty (60) day period, then the period shall be extended until such information shall be made available; provided, however, that such extension shall not exceed beyond sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

C. In the event that it should be determined that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, the Common Areas affected by such damage or destruction shall be restored to its natural state and maintained as an undeveloped portion of the Common Areas.

9.6 Insufficient Insurance Proceeds. If the damage or destruction for which the insurance proceeds are paid are not sufficient to defray the cost of the required repair, reconstruction, or restoration, and if the Board determined that the funds in the capital reserve accounts are not sufficient to cover such insurance deficiency, then the Board of Directors shall, without the necessity of a vote of the Association's Members, levy a special Assessment against all Owners, in an equal amount, and such special Assessment shall be used to complete the required repair, reconstruction, or restoration.

ARTICLE X

COVENANTS AND MAINTENANCE ASSESSMENTS

10.1 Creations of Lien and Personal Obligation for Assessments. Declarant hereby covenants and 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 and agree to all terms, covenants, conditions, restrictions, and other provisions of this Declaration, and agrees to pay to the Association all Assessments and charges levied by the Association in accordance with and as permitted by this Declaration. The Assessments, together with any interest due, any late penalty, and reasonable attorneys' fees shall be a charge and continuing lien upon the Lot against which such Assessment is made, whether or not a claim of lien is filed. Each Assessment (together with such interest thereon and the costs of collection including reasonable attorneys' fees) shall also be the personal obligation of the Person who was the Owner of such Lot or Dwelling Unit at the time when the Assessment first become due and payable, and also the joint and several personal obligation of any subsequent grantees who take title to the Lot or Dwelling Unit without first obtaining a letter from the Association as herein provided to the effect that there are no outstanding Assessments against the Lot or Dwelling Unit being purchased. In the case of co-ownership or co-tenancy of a Lot or Dwelling Unit, 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 the Lots and Dwelling units in Coastal Woods. An Owner's liability for payment of Assessments shall commence at the closing of the purchase of Owner's Lot or Dwelling Unit.

10.2 Purpose of Assessments. Assessments levied by the Association shall be exclusively: (a) to improve, maintain, enhance, enlarge, protect, monitor, and operate the areas within the Association's ownership or control as specified in this Declaration; (b) to provide security services; (c) to cover operating and administrative expenses; (d) 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 of New Smyrna Beach; 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; (e) 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; (f) to pay the costs of social functions open to the Members of the Association; (g) 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; (h) to be used for the maintenance and repair of the surface water or stormwater

management systems including but not limited to work within retention areas, drainage Improvements, and drainage easements.

No initiation fee may be charged to Members of the Association as a pre-condition to use of such areas or facilities. 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 their expenses and reasonable reserves to an extent which would violate any Association's not-for-profit status.

10.3 Assessment Amounts. Except as elsewhere provided herein to the contrary, each Owner of a Lot or Dwelling Unit shall be obligated to pay Assessments which accrued prior to his taking title and shall be obligated to pay the regular annual Assessment continually from, at the latest, the date such Owner takes title to said Lot or Dwelling Unit.

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 annual Assessment and no longer for two such Assessments as were owed prior to the completion of the Dwelling Unit.

10.4 Allocation of Annual Assessments Among Lots. The budget and annual Assessments of the Association shall be assessed against all Owners and Lots within the Property in an equal amount per Lot. At the discretion of the Board, the annual Assessments for any year may be paid by Owners in monthly installments, due and payable on the first (1st) day of each month; in bi-annual installments, due and payable by the first (1st) day of January and July of each year; or in quarterly installments, due and payable by the first (1st) day of January, the first (1st) day of April, the first (1st) day of July, and the first (1st) day of October of each year. In the event of such deferred payments, the Board may, but shall not be required to, charge a uniform, lawful rate of interest on the unpaid balance. The Board may accelerate the balance of any annual Assessment upon default in the payment of any installment thereon or any other Assessment due hereunder. Absent any such determination by the Board permitting payment in monthly, bi-annual, or quarterly installments, the annual Assessment for any year shall be due and payable by January 1 of such year. Any annual Assessment not paid by January 15, if payable in one lump sum, not paid by the fifteenth (15th) day of January and July, if allowed to be paid bi-annually, or paid by the fifteenth (15th) day of January, April, July, and October, if allowed to be paid quarterly, or on the fifth (5th) day of any month, if allowed to be paid monthly, shall be considered delinquent.

10.5 Funding by Declarant. Notwithstanding anything contained in this Declaration to the contrary or otherwise, to the fullest extent permitted by Homeowners' Association Act of Chapter 720, Florida Statutes ("Association Act"), Declarant shall not be obligated to pay any Assessment as to any Lot owned by it during any period of time that Declarant pays the Common Expense actually incurred over and above the income derived from the Assessments collectible from the Class A Members ("Deficit Fund"). For purposes of this subsidy arrangement, unless expressly required by applicable law, Declarant need not subsidize or pay any Assessment amounts levied for replacement reserves or capital expenditures. If Declarant elects to Deficit Fund as permitted herein and under the Association Act, the amount of the

annual Assessments, as such annual Assessments may be increased per fiscal year, shall be the maximum obligation of the Class A Members. If Declarant elects to Deficit Fund, then the amount above the annual Assessments that is necessary to keep the Association operational shall be the amount of Declarant's guarantee of Common Expenses. It is the express intent of Declarant that this be an establishment of a guarantee pursuant to Florida Statutes, Section 720.308(2). Unless Declarant otherwise notifies the Board in writing at least thirty (30) days before the beginning of a fiscal year, Declarant shall continue paying on the same basis as during the previous fiscal year. Declarant, at its option, may elect by written notice delivered to the Association at any time to abandon the subsidy approach and commence payment of the Assessments thereafter falling due for the Lots then owned by Declarant, pro-rated as of the date that such notice is delivered to the Association.

10.6 Declarant's Right to Loan or Advance Funds. Declarant may (but is not obligated to) loan, advance or otherwise make payments to the Association to assist the Association in meeting its financial obligations. Notwithstanding anything to the contrary contained in this Section, if Declarant loans, advances or otherwise makes payments to the Association, other than as a voluntary subsidy, then any such sums shall be repaid to Declarant prior to Turnover.

10.7 Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to any Owner, the maximum annual Assessment (not including special Assessments or enforcement Assessments) shall be Six Hundred and No/100 Dollars (\$600.00) per Lot.

A. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual Assessment may be increased each year by fifteen percent (15%) above the maximum annual Assessment for the previous year unilaterally by the Board without the affirmative vote of or confirmation by the Association Members.

B. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, any increase in the maximum annual Assessment (not including special Assessments or enforcement Assessments) more than fifteen percent (15%) of the prior year's maximum annual Assessment, requires the affirmative vote (in person or by proxy) or written consent, or any combinations thereof, of Lot Owners holding not less than two-thirds (2/3) of the votes of the Association present at a meeting duly called for that purpose; provided, however, in no event shall more than one (1) vote be cast with respect to any Lot (except for Declarant).

C. The Board may fix the annual Assessment at an amount in excess of the maximum. The initial budget prepared by Declarant is adopted as the budget for the period of operation until adoption of the first annual Association budget. Thereafter, the annual budget shall be prepared and adopted by the Board. To the extent the Association has commenced or will commence operations prior to the date this Declaration is recorded or the first Dwelling is closed, the expenses may vary in one or more respects from that set forth in the initial budget. THE INITIAL BUDGET OF THE ASSOCIATION IS PROJECTED (NOT BASED ON HISTORICAL OPERATING FIGURES). THEREFORE, IT IS POSSIBLE THAT ACTUAL ASSESSMENTS MAY BE LESSER OR GREATER THAN PROJECTED.

10.8 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 applicable 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 Community, or for any reason, except as otherwise provided herein .

10.9 Estoppel Certificate. Upon request, the Association, pursuant to Florida Statutes, Section [REDACTED] shall furnish to any Owner an estoppel certificate setting forth whether all required Assessments have been paid. Such certificate, subject to the limitations and terms of Florida Statutes, Section [REDACTED] shall be conclusive evidence in favor of bona-fide third parties relying thereon of the payment of any Assessment therein stated to have been paid. The Association may charge a fee for the preparation of such certificate, and the amount of such fee must be stated on the certificate. Unless sold or conveyed by or to Declarant, no Lot or parcel may be sold or conveyed unless an estoppel certificate pursuant to Florida Statutes, Section [REDACTED] is obtained and all amounts set forth therein are paid prior to the sale or conveyance.

10.10 Revenue Collected. Revenue received by the Association on its Assessment on any Lot or Dwelling Unit may be co-mingled with revenues received by the Association on its Assessments on other Lots or Dwelling Units, except to the extent segregation is required by the City of New Smyrna Beach or Florida Statutes.

10.11 Assessment of Membership. Although all funds and other assets of the Association, and any income derived therefrom, shall be held for the benefit of the 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 his Lot or Dwelling Unit. When an Owner of a Lot or Dwelling Unit shall cease to be a Member of the Association by reason of divestment of ownership of said Lot or Dwelling Unit, by whatever means that occurs, the Association shall no longer be required to account to said Owner for any share of the funds or assets it holds.

10.12 Foreclosure; Continued Liability for Assessments.

A. An Owner, regardless of how title to a Lot or Dwelling Unit has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all Assessments that come due. The Owner's liability for Assessments may not be avoided by waiver or suspension of the use or enjoyment of any Common Area or by abandonment of the Dwelling Unit upon which the Assessments are made.

B. An Owner is jointly and severally liable with the previous Lot Owner for all unpaid Assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the present Owner may have to recover any amounts paid by Owner from the previous Lot Owner.

C. Notwithstanding anything to the contrary herein, the liability of a first mortgagee, or its successor or assignee as a subsequent holder of the first mortgage who acquires title to a Lot or Dwelling Unit by foreclosure or by deed in lieu of foreclosure, for the unpaid Assessments that became due before the mortgagee's acquisition of title, shall be the lesser of:

(a) The Lot's unpaid expenses and regular periodic or special Assessments that accrued or came due during the twelve (12) months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or

(b) One percent of the original mortgage debt.

D. The limitations on first mortgagee liability provided by this paragraph apply only if the first mortgagee files suit against the Lot Owner or Dwelling Unit Owner and initially joins the Association as a defendant in the mortgagee's foreclosure action.

10.13 Liens for Assessments. Recognizing that proper management and operation of all the areas of Coastal Woods benefits all Owners of Lots or Dwelling Units, the Association is hereby granted a lien upon all the Lots and Dwelling Units within Coastal Woods and the present and future interests of each Lot and Dwelling Unit Owner in the Common Areas to secure the prompt payment of each and all Assessments made and levied in accordance with this Declaration. Each Lot and Dwelling Unit 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 the 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 the Articles of Incorporation or the Bylaws.

10.14 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.

10.15 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 Dwelling Unit, or who may be given or who may acquire a mortgage, lien, or other encumbrance on a Lot or Dwelling Unit are hereby placed on notice of the lien rights granted to the Association under this Declaration and all of such Persons, firms, corporations, and other business entities shall acquire their right, title, and interest in and to said Lot or Dwelling Unit expressly subject to the lien rights provided herein.

10.16 Lien Preparation and Recording. The lien created pursuant to this Declaration exists as of the date the Association sets the amount of its annual 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 Volusia County a claim of lien stating the description of the Lot or Dwelling Unit encumbered by the lien, the name of the record Owner of the Lot or Dwelling Unit, 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.

10.17 Priority of Lien. It is the intent hereof that the Association's lien against each Lot, and/or Dwelling Unit, and any Improvements thereon, shall be subordinate and inferior only to the lien of taxes and special assessments levied by Volusia County and/or other governmental authorities and to the lien of any mortgage upon such Lot and/or Dwelling Unit given to an institutional mortgagee which was made in good-faith and for valuable consideration prior to the Association recording of a claim of lien; provided, however, that such subordination shall not apply to Assessments, or other monies owed to the Association, which become due and payable after a sale or transfer of the Lot and/or Dwelling Unit pursuant to a decree of foreclosure of such mortgage or any other proceeding or transfer in lieu of foreclosure of such mortgage.

10.18 Enforcement. These Covenants and Restrictions may be enforced by an action at law for damages, or proceeding in equity for an injunction, or in a manner as provided for in the Bylaws of the Association.

10.19 Initial Contribution. In addition to all of the sums due hereunder, upon acquisition of record title to a Lot by each Owner other than Declarant or its affiliated builder entity, such Owner agrees at the closing of the acquisition of record title to such Lot to pay 1) a non-refundable contribution to the capital of the Association in an amount equal to one (1) year of the then current year's annual Assessment amount on the Lot and 2) the entire annual Assessment for the calendar year of closing, prorated on a per diem basis from the date of closing on the sale of, or the date of occupancy of the Lot, whichever is earlier, through the end of that calendar year. Thereafter, annual Assessments shall be due, in advance, on or before the commencement of the Association fiscal year for which they are imposed.

The foregoing sums shall be collectible in the same manner as Assessments if they are not paid. Such sums shall be deposited into the operating account of the Association and used to help defray the cost of maintenance of the Common Areas as required of the Association by this Declaration.

ARTICLE XI **CHANGES, AMENDMENT, AND TERMINATION**

11.1 Amendment by Members

a. Amendment by Written Instrument. This Declaration may be amended (an "Amendment") at any time by the holders of a simple majority of the votes in the Association (without regard to membership class). Upon approval of an Amendment in accordance with the preceding sentence, the Board shall direct the appropriate officer, agent or employee of the Association to have a written instrument prepared in recordable form which instrument shall set forth the text of the approved Amendment, and which Amendment shall also comply with all requirements of the Association Act. Upon execution of the Amendment by the holders of at least a simple majority of the votes in the Association (without regard to membership class), the Board shall direct the appropriate officer, agent or employee of the Association to record the Amendment in the official Public Records of Volusia County. The Amendment will be deemed effective upon recording.

b. Amendment by Vote at a Duly-Authorized Meeting. An Amendment may be proposed by Declarant (before or after Turnover), the Association, or after Turnover, through a petition signed by ten percent (10%) of the Owners. If a proposed Amendment is to be adopted by a vote, a written copy of the proposed Amendment shall be furnished to each Owner at least thirty (30) days, but not more than ninety (90) days, prior to a duly-authorized meeting called to discuss the proposed Amendment. To pass, the proposed Amendment shall be approved upon the affirmative vote of at least a simple majority of the membership casting votes (either in person or by proxy) at a meeting duly called to consider the proposed Amendment. Upon the approval of an Amendment pursuant to this Subsection, the Association president and secretary shall execute a written instrument in recordable form which shall set forth the text of the Amendment, the effective date of the Amendment, the date of the meeting of the Association at which such Amendment was adopted, the date that notice of such meeting was given, the total number of votes cast at the meeting (either in person or by proxy), the total number of votes necessary to adopt the Amendment, the total number of votes cast for the Amendment, and the total number of votes cast against the Amendment. The written Amendment executed by the president and secretary shall be recorded in the Public Records of Volusia County. The Amendment will be deemed effective upon recording.

c. Amendment by Declarant. Until such time as Turnover occurs, Declarant specifically reserves the absolute and unconditional right to alter, modify, change, revoke, rescind, amend, restate, or cancel all or any portion of this Declaration (or any of the other Governing Documents) or the restrictive covenants contained in this Declaration (or in any of the other Governing Documents); provided, however, that to be valid and enforceable, any such amendment by Declarant may not be arbitrary, capricious, or in bad faith; destroy the general plan of development of the Community; or materially shift economic burdens from Declarant to the existing non-declarant Members. Following Declarant's relinquishment of control of the Association, this Declaration may only be amended pursuant to the provisions of such Section hereof.

11.2 Restrictions on Amendments. Notwithstanding anything to the contrary contained in the above Section hereof, no Amendment to this Declaration may: (i) remove, revoke, or modify any right or privilege of Declarant without the prior express written consent of Declarant or the assignee of any such right or privilege which consent may be granted, conditioned or denied in such party's absolute and sole discretion; (ii) impair the validity or priority of the lien of any mortgage or impair the rights granted to mortgagees herein without the prior written

consent of such mortgagees; (iii) to the extent that any provision of the Declaration has been included to satisfy a condition of approval of a planned development, preliminary subdivision plan, development order or a subdivision plat of the Property, such provision shall not be changed, amended, modified, or otherwise deleted or eliminated without the prior written consent of the applicable governmental authority; (iv) result in or facilitate a termination of the Association's obligation to maintain the Common Property; or (v) change, amend, modify, eliminate or delete the restrictions contained in this Section. Additionally, any proposed Amendment which would have the effect of materially altering the general plan of development for the Development or which would materially prejudice the Owners' rights to use and enjoy the benefits of the Common Property, shall require the unanimous written consent of all Owners. No Amendment shall be permitted that would violate the Association Act.

ARTICLE XII

USE OF COMMON PROPERTY

12.1 Lot Owners Common Area Usage. The Common Areas, as specifically described herein, or hereafter designated by Declarant (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 of Lots developed within the Community, 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. Owners, their guests, tenants, and invitees, shall have a perpetual non-exclusive easement over all private roads maintained by the Association for ingress and egress to Lots or Dwelling Units within Coastal Woods.

12.2 Declarant's Common Area Usage. Until all areas subject to development orders issued by the City of New Smyrna Beach have been developed and transferred or conveyed to third parties, Declarant shall have the right (at no charge or fee) to reasonably utilize Common Areas for promoting the Community and marketing of Lots and Dwelling Units, including, but not limited to, the right to maintain sales offices in the Community.

ARTICLE XIII

PROPERTY RIGHTS IN THE COMMON PROPERTIES AND PROPERTY

13.1 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 Coastal Woods, Declarant shall in the plat of Coastal Woods 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.

13.2 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 be improved and utilized as follows:

A. Drainage facilities, retention ponds, lakes, and related improvements may be made by Declarant as long as they are in compliance with all applicable development orders issued by the City of New Smyrna Beach.

B. Vegetation shall not be altered or removed except as permitted by applicable development orders. No motorized boats or personal water craft (e.g., jet skis) shall be allowed upon the 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 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.

13.3 Conservation Easement Area(s). Pursuant to and as and to the extent required by the Permit, the SJRWMD, or any governmental authority, from time to time, Declarant will record in the Public Records of Volusia County, Florida, one or more conservation easements (collectively, "Conservation Easement"), in favor of the SJRWMD or any applicable governmental authority over, across, and upon certain portions of the Property. The precise metes and bounds legal description of the portions of the Property encumbered by a Conservation Easement shall be as specifically set forth in the subject Conservation Easement (all such portions of the Property that are or become encumbered by a Conservation Easement shall hereinafter be referred to as "Conservation Areas"). Upon establishment of any Conservation Easement, the Conservation Areas shall be subjected to the restrictions set forth in the subject Conservation Easement. The Conservation Areas, or the Association's interest therein, shall be Common Area and the Conservation Areas shall be the perpetual responsibility of the Association, and may in no way be altered from their natural state, except as specifically provided in the subject Conservation Easement. Furthermore, the use and development of the Conservation Areas shall be restricted as set forth in the subject Conservation Easement. Declarant hereby reserves for itself, its successors and assigns, and grants to the Association and its designees, a perpetual, nonexclusive easement over and across all areas of the Stormwater Management System for the drainage of stormwater from the Property. Portions of the Stormwater Management System may be located entirely within Lots.

13.4 Conservation Easement Maintenance. The private access easements and private drainage easements encumbering any Common Areas, along with all private access and drainage easements encumbering any Common Areas or Lots, all as depicted and set forth on any recorded Plat, shall be perpetually maintained by the Association, at Common Expense, as Common Area pursuant to the terms hereof. The area of each Lot included within any private drainage easements encumbering said Lot, all as depicted and set forth on any recorded Plat, shall be maintained continuously by the Owner of the Lot, except as may be provided herein to the contrary. No Improvement, tree, landscaping, fence, or other material may be placed or permitted in any areas encumbered by any private access easements, private drainage easements, or private access and drainage easements, and no construction, clearing, grading or alteration to

any such areas shall be permitted, that will or may interfere with or prevent the use of the subject easement for its express and intended purpose.

13.5 Cross Easements. The 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 Association shall act reasonably so as to cause the least inconvenience or difficulty to the Owner or Owners of said properties.

13.6 Grant and Reservation of Easements. Declarant hereby reserves and grants the following perpetual, nonexclusive easements over and across the Property as covenants running with the Property for the benefit of the Owners, the Association and Declarant as hereinafter specified for the following purposes:

A. Maintenance Easements. For the purpose of providing access to each Owner of a boundary line fence, wall, Improvement, or landscaping, to permit painting, maintenance, repairs, or reconstruction of such wall or Improvement or landscaping that abuts such Owner's boundary lines, the adjoining Owner or Owners of each Lot which abuts such boundary line fence, wall, Improvement, or landscaping hereby gives and grants a perpetual easement to the Owner or Owners of such fence, wall, Improvement, or landscaping to enter upon the property of such adjoining Owner or Owners for the specific purpose of painting, maintaining, repairing, or reconstructing such fence, wall, Improvement, or landscaping. 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 fence, wall, Improvement, or landscaping who causes such entry to be made. In the event of controversy, the decision of the Board of Directors of the Association shall control.

B. Easements for Utilities and Cable Television. Declarant reserves a perpetual easement on, over, and under the easements and Common Areas shown on any Subdivision Plat for construction and maintenance of electric and telephone poles, wires, cables, conduits, water mains, drainage lines or drainage ditches, sewers, irrigation lines, and other conveniences or utilities. To the extent permitted by law, Declarant reserves an exclusive easement over, on and under each Lot for the installation and maintenance of utilities, lines, wires, pipes, power, telephone, CATV, radio, and television cables within the Subdivision. The Owners of Lots subject to the easements reserved in this Section shall acquire no right or interest in utility or cable television equipment placed on, over, or under the portions of the Subdivision which are subject to such easements. All easements reserved by Declarant are and shall remain private easements and the sole and exclusive property of Declarant.

C. Easement for Encroachment. All of the Property shall be subject to an easement or easements for encroachment in favor of each Owner in the event any portion of such Owner's Dwelling Unit or appurtenant Improvements installed by Declarant such as a fence, stucco, underground footer or sidewalk, now or hereafter encroaches upon any of the Lots as a result of minor inaccuracies in survey or construction, by design, or due to settlement or movement. Such encroaching Improvements installed by Declarant shall remain undisturbed for so long as the encroachment exists. Any easement for encroachment shall include an easement for the maintenance and use of the encroaching Improvements in favor of the Owner thereof or

such Owner's designees. Such encroachment will likely constitute a violation of the City of New Smyrna Beach's regulations. The City does not expressly or by implication authorize such encroachment. This Section does not limit the City's ability to pursue all available remedies to prevent or remove such encroachments. The City will not permit or allow such encroachments into any easement of land dedicated to or owned by the public for utility, drainage or roadway purposes.

D. Easement to Enter Upon Lots and Dwelling Units. An easement or easements for ingress and egress in favor of the Association, including the Board or the designee of the Board, to enter upon the Lots for the purposes of fulfilling its duties and responsibilities of ownership, maintenance and/or repair in accordance with the Governing Documents, including, by way of example, the making of such repairs, maintenance or reconstruction as are necessary for the Common Area and to maintain any Lot in the event the Owner thereof fails to do so.

E. Easement for Roof Overhang. An easement or easements, as shown on the Plat and Additional Plat, if any, to provide for the roof overhang of a Dwelling Unit in favor of the Owner thereof, including rights of access for persons or equipment necessary to maintain, repair and replace such roof overhang.

F. Irrigation Easement. An easement for irrigation over, under and upon the Property, including each of the Lots, in favor of the Association and each Owner, including, but not limited to, reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate and repair the irrigation pipes.

G. Plat Easement(s). The Plat and/or Additional Plat, if any, may contain additional easements not discussed herein, granted in favor of the Association, Owners or others, for the specific purposes as described therein.

13.7 Access Easement. Declarant hereby reserves perpetual, nonexclusive easements of ingress and egress over and across: (i) any and all streets dedicated to the public use, if any (as well as alcoves, cul de sacs, and other private, paved areas abutting or serving the same), and (ii) any private roads and driveways, if any, within or upon the Property and all other portions of the Property which are necessary or convenient for enabling Declarant to carry on the work referred to in this Declaration. All of the foregoing easements shall be for the use of Declarant, builders, Declarant's employees, contractors and agents, Declarant's successors and assigns, the Owners, and the respective lessees, employees, agents, invitees, and licensees of Declarant and the Owners.

13.8 Release of Restrictions, Easements. If a Dwelling Unit or other Improvement is erected or the construction of a Dwelling Unit or Improvement is substantially advanced in a manner that violates the restrictions contained in these Covenants or in a manner that encroaches on any setback line, Lot line, Common Areas, or easement area, Declarant shall have the right to release the Lot from the restriction it violated. Declarant shall also have the right to grant an easement to permit encroachment by the Dwelling Unit or Improvement over the Lot line, or in the Common Areas or the easement area, so long as Declarant, in the exercise of its sole discretion, determines that the release or easement will not materially adversely affect the health

and safety of Owners, the value of adjacent Lots, and appearance of the Subdivision. Notwithstanding any contrary provisions of this Declaration, Declarant shall have the right without the approval or consent of any Member of the Association to convey any portion of the Common Areas that is the subject of any encroachment by a Dwelling Unit to the Owners of the Dwelling Unit. Nothing contained in this Section shall be construed to conflict with any adopted ordinance of the City of New Smyrna Beach, Florida.

13.9 Assignments. The easements reserved hereunder may be assigned by Declarant or the Association in whole or in part to any city, county or state government or agency thereof, or any water management district, or any duly licensed or franchised public utility, or any other designee of Declarant. Declarant shall have and hereby reserves the right to grant and/or reserve additional easements over, under and upon the Property or portions thereof (including the portion of Lots where no physical structure of the Dwelling Unit is located) which may be necessary or desirable by Declarant. The Owners hereby authorize Declarant and/or the Association to execute, on their behalf and without further authorization, such grants of easement or other instruments as may from time to time be necessary to grant easements over and upon the Property or portions thereof in accordance with the provisions of this Declaration.

Notwithstanding anything in this Declaration to the contrary, the easement rights granted or reserved by Declarant hereunder are not to be construed as creating an affirmative obligation to act on the part of Declarant.

13.10 Declarant's Rights. Declarant, its successors and assigns shall have the unrestricted right, without approval or joinder of any other person or entity: (i) to designate the use of, alienate, release, or otherwise assign the easements shown on the Plat of the Property or described herein, (ii) to plat or replat all or any part of the Property owned by Declarant, and (iii) to widen or extend any right of way shown on the Plat of the Property or convert a Lot to use as a right of way, provided that Declarant owns the lands affected by such change. Owner of Lots subject to easements shown on the Plat of the Property shall acquire no right, title, or interest in any of the cables, conduits, pipes, mains, lines, or other equipment or facilities placed on, over, or under the easement area. The Owners of Lots subject to any easements shall not construct any improvements on the subject easement areas, alter the flow of drainage, or landscape on such areas with hedges, trees, or other landscaping items that might interfere with the exercise of the easement rights. Any Owner who constructs any improvements or landscaping on such easement areas shall remove the improvements or landscape items upon written request of Declarant, the Association, or the grantee of the easement.

13.11 Release of Restrictions, Easements. If a Dwelling Unit or other Improvement is erected or the construction of a Dwelling Unit or Improvement is substantially advanced in a manner that violates the restrictions contained in these Covenants or in a manner that encroaches on any setback line, Lot line, Common Areas, or easement area, Declarant shall have the right to release the Lot from the restriction it violated. Declarant shall also have the right to grant an easement to permit encroachment by the Dwelling Unit or Improvement over the Lot line, or in the Common Areas or the easement area, so long as Declarant, in the exercise of its sole discretion, determines that the release or easement will not materially adversely affect the health

and safety of Owners, the value of adjacent Lots, and appearance of the Subdivision. Notwithstanding any contrary provisions of this Declaration, Declarant shall have the right without the approval or consent of any Member of the Association to convey any portion of the Common Areas that is the subject of any encroachment by a Dwelling Unit to the Owners of the Dwelling Unit. Nothing contained in this Section shall be construed to conflict with any adopted ordinance of the City of New Smyrna Beach, Florida.

ARTICLE XIV

COVENANTS AGAINST PARTITION AND SEPARATE TRANSFER OF COMMON AREAS

It is recognized that the full use and enjoyment of any Lot or Dwelling Unit within Coastal Woods 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 and Dwelling Unit Owners that the ownership of the Common Areas, Drainage Areas, and Conservation Easements Areas be retained by either the Association as provided in this Declaration. Accordingly, no Lot or Dwelling Unit Owner shall have the right to transfer the Lot or Dwelling Unit 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 or Dwelling Unit, and the Association shall have no right to transfer title to any part of the Common Areas, Drainage Areas, or Conservation Easement Areas without Declarant's prior written consent. Nothing in this Article, however, shall: (a) preclude a conveyance by Declarant, 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 Declarant, its successors, or assigns of any utility easements across, under, above, or upon the Common Areas, Drainage Areas or Conservation Easement Areas.

ARTICLE XV

CONTROL AND TURNOVER OF ASSOCIATION

Declarant shall have the right to at any time appoint Members to the Board of Directors of the Association until the earlier of the following events occurs: (i) Three (3) months after ninety percent (90%) of the Lots in all phases of the Community have been conveyed by Declarant, or its successors or assigns, to Members other than builders, contractors, or others who purchase Lots for the purpose of constructing improvements thereon for resale; or (ii) Declarant, or its successors or assigns, elects by written notice to the Association to terminate its Class B membership ("Turnover"). After said Turnover, the appointment of Directors by Declarant and the election of Directors by the Members shall be in accordance with Florida Statute Section 720.307 as amended from time to time.

ARTICLE XVI

DEFAULT AND ENFORCEMENT

16.1 **Right to Cure.** Should any Owner or that Owner's tenants, subtenants, occupants, licensees, invitees and guests, where applicable, do any of the following:

A. Fail to perform the duties and responsibilities as set forth herein or otherwise breach the provisions of the Declaration, Articles of Incorporation, Bylaws, or Rules and Regulations of the Association; or

B. Cause any damage to any improvement or Common Areas or Amenity Facilities; or

C. Impede Declarant or Association from exercising its rights or performing its responsibilities hereunder; or

D. Undertake unauthorized improvements or modification to a Lot or Dwelling Unit or to the Common Areas or Amenity Facilities; or

E. Impede Declarant from proceeding with or completing the development of the Community.

In such event, Declarant or the Association, where applicable, after reasonable prior written notice, shall have the right, through its agents and employees, to cure the breach, including, where applicable, but not limited to, the entering upon the Lot or Dwelling Unit and causing the default to be remedied and/or the required repairs or maintenance to be performed, or as the case may be, remove unauthorized improvements or modifications. The cost thereof, plus reasonable overhead costs and attorneys' fees incurred, shall be assessed against the Owner as a special Assessment or charge.

16.2 Non-Monetary Defaults. In the event of a violation by any Owner, other than the nonpayment of any Assessment or other monies, of any of the provisions of this Declaration, Declarant or Association shall notify the Owner of the violation, by written notice. If such violation is not cured within the reasonable period stated within such written notice, the party entitled to enforce same may, at its option:

A. Commence an action to enforce the performance on the part of the Owner or to enjoin the violation or breach or for equitable relief as may be necessary under the circumstances, injunctive relief; and/or

B. Commence an action to recover damages; and/or

C. Take any and all action reasonably necessary to correct the violation or breach;

D. Take such other actions pursuant to and as authorized by 720.305, Florida Statutes, including, but not limited to, suspending the rights of an Owner and/or its tenants, guests or invitees, or both, to use Common Areas and levy reasonable fines against any Owner, tenant, guest or invitee.

All expenses incurred in connection with the violation or breach, or the commencement of any action against any Owner, including reasonable attorneys' at all levels including appeals,

bankruptcy, and collections, shall be assessed against the Owner, as a special Assessment or charge and shall be immediately due and payable without further notice.

16.3 Procedures. Before imposing any fine or suspension, the following procedures shall be adhered to:

A. Notice. The Association shall notify the Owner of the alleged infraction or infractions. Included in the notice shall be the date and time of a hearing of a committee of at least three (3) Members who are appointed by the Board (the "Committee"), at which time the Owner may present reasons why a fine(s) or suspension should not be imposed. The members of the Committee shall not be officers, Directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, Director, or employee of the Association. At least fourteen (14) days' notice of such meeting shall be given.

B. Hearing. The alleged non-compliance shall be presented to the Committee after which the Committee shall hear reasons why a fine(s) or suspension should not be imposed. A written decision of the Committee shall be submitted to the Owner by not later than twenty-one (21) days after the Committee's hearing. The Owner shall have a right to be represented by counsel and to cross examine witnesses. If the Committee does not approve a proposed fine or suspension by majority vote, it may not be imposed.

C. Amounts. The Board (if the Committee's findings are made against the Owner) may impose a suspension or a fine in the form of special Assessments against the Lot owned by the Owner as follows:

(1) For each separate violation, a fine not exceeding One Hundred Dollars (\$100.00). Each day that there exists on any Lot any structure, thing or condition which violates this Declaration shall be considered a separate violation.

(2) Because Declarant intends that the Property be developed and occupied as a high-end residential development, it is important that the Association have the authority and leeway to enforce the covenants, conditions, and restriction set forth in the Governing Documents and the Rules and Regulations by meaningful fines. Therefore, fines may exceed One Thousand and No/100 Dollars (\$1,000.00) in the aggregate and there shall be no limit on the aggregate amount of fines that may be levied for continuing violations of the covenants, conditions, and restriction set forth in the Governing Documents or in the Rules and Regulations.

D. Payment and Collection of Fines. Any Owner against whose Lot fines have been levied shall remit such fines to the Association within thirty (30) days of receiving notice of such fines from the Association. If not paid within the thirty (30) days, the amount of such fine shall accrue interest at the maximum rate permitted by law, and shall be treated as a special Assessment hereunder. The Association may pursue legal and equitable remedies to recover such fines. All fines collected shall be used for the benefit of the Association.

E. Application of Proceeds. All moneys received from fines shall be allocated as directed by the Board.

F. Non-exclusive Remedy. These fines and suspensions shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; provided, however, any fines paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

G. Suspension of Voting Rights. In accordance with Florida law, the Association may suspend the voting rights of a Member for the nonpayment of regular annual Assessments that are delinquent in excess of ninety (90) days.

16.4 Rights Cumulative. All rights, remedies, and privileges granted to Declarant, the Association, and/or Design Review Committee, and/or Owner pursuant to any terms, provisions, covenants, or conditions of this Declaration, 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 any of them from pursuing such additional remedies, rights, or privileges as may be granted or as it might have by law.

16.5 Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration may be enforced by Declarant or, where applicable, 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. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorneys' fees in an amount as the Court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and Court costs.

16.6 Fines. In addition to the fines established herein, and all other remedies provided for in this Declaration, if and to the extent permitted by law, the Association shall have the right to impose additional fines on an Owner for failure of an Owner, or Persons claiming by, through, or under the Owner, to comply with any provisions of this Declaration provided, however, that the Association grant reasonable notice and opportunity to be heard. The decisions of the Association shall be final. Fines shall be in such reasonable and uniform amounts as the Association shall determine and shall be considered a special Assessment against that Owner and Lot and Dwelling Unit.

16.7 Nuisance. The result of every act or omission whereby any of the covenants contained in this Declaration or the Bylaws are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance either public or private shall be applicable against every such result and may be exercised by any Owner by the Association or its successors-in-interest.

16.8 Owner by Foreclosure Bound by Declaration. A breach of the covenants, conditions, and restrictions contained in this Declaration or in the Bylaws shall not affect or impair the lien or charge of any mortgage made in good faith and for value on any Dwelling Unit, provided, however, that any subsequent Owner of such Dwelling Unit shall be bound by said covenants, whether such Owner's title was acquired by foreclosure sale or otherwise.

16.9 No Waiver. The failure to enforce any right, provision, covenant, or condition in this Declaration, shall not constitute a waiver of the right to enforce such right, provision, covenant, or condition in the future.

ARTICLE XVII

DECLARANT RESERVATION

17.1 Declarant Reservation. Any provision of this Declaration to the contrary notwithstanding, until Declarant has completed all of the contemplated Improvements and the Lots have been sold to Third Party Purchasers, neither the Owners nor the Association shall interfere with, or allow the interference with, the completion of Declarant's planned Improvements and the sale of the Lots. Declarant may make such lawful use of the unsold Lots and the Common Property, without charge, as may facilitate such completion and sale, including, but not limited to, maintenance of sales and construction trailers and offices, the showing of the Lots and the display of signs and the use of Lots for vehicular parking. Without limiting the generality of the foregoing, except only when the express provisions of this Declaration prohibit Declarant from taking a particular action, nothing in this Declaration shall be understood or construed to prevent or prohibit Declarant from any of the following:

A. Doing on any property or Lot owned or controlled by it, whatever it determines to be necessary, convenient or advisable in connection with the completion of the development of the Property, including without limitation, the alteration of its construction plans and designs as Declarant deems advisable in the course of development (all models or sketches showing plans for future development of the Property, as same may be expanded, may be modified by Declarant at any time and from time to time, without notice); or

B. Erecting, constructing and maintaining on any property or Lot owned or controlled by Declarant, such structures as may be reasonably necessary for the conduct of its business of completing said development and establishing the Property as a community and disposing of the same by sale, lease or otherwise; or

C. Conducting on any property or Lot owned or controlled by Declarant, its business of developing, subdividing, grading and constructing Improvements in the Property and of disposing of Lots therein by sale, lease or otherwise; or

D. Determining in its sole discretion the nature of any type of Improvements to be initially constructed as part of the Development or the Property; or

E. Maintaining such sign or signs on any property or Lot owned or controlled by Declarant as may be necessary or desired in connection with the operation of any Lots owned by Declarant or the sale, lease, marketing or operation of the Lots; or

F. Recording supplemental declarations which modify or amend this Declaration, which add or withdraw Additional Property, or that otherwise allow or permit Declarant to effect any action which may be required of Declarant by the local government or any other governmental authority or quasi-governmental agency in connection with the development and continuing operation of the Property; or

G. Modifying, changing, re-configuring, removing or otherwise altering any Improvements located on the Common Property or utilizing all or portions of the Common Property for construction access or staging (provided that same does not impair existing platted access (as shown on any recorded Plats) or utility services to the Lots); or

H. Causing utilities to be available to all portions of the Property, including, but not limited to, the reserving or granting of easements and rights of way as may be necessary to locate, install and maintain facilities and connections.

17.2 Amendment. This Article may not be suspended, superseded or modified in any manner by any amendment to this Declaration unless such amendment is consented to in writing by Declarant. This right of use and transaction of business as set forth herein and the other rights reserved by Declarant in the Governing Documents may be assigned in writing by Declarant in whole or in part. For the purposes of this Section, the term "Declarant" shall include any "Lender" which has loaned money to Declarant to acquire or construct Improvements upon the Property, or its successors and assigns if such Lender, its successors or assigns, acquires title to any portion of the Property as a result of the foreclosure of any mortgage encumbering any portion of the Property securing any such loan to Declarant, or acquires title thereto by deed in lieu of foreclosure. The rights and privileges of Declarant as set forth in this Article, which are in addition to, and are no way a limit on, any other rights or privileges of Declarant under any of the Governing Documents, shall terminate upon Declarant no longer owning any portion of the Property (and having any equitable or legal interest therein) or upon such earlier date as Declarant shall notify the Association in writing of Declarant's voluntary election to relinquish the aforesaid rights and privileges.

ARTICLE XVIII **GENERAL PROVISIONS**

18.1 Duration. The protective covenants, conditions, easements, and restrictions set forth in this Declaration shall be covenants running with the land and shall be binding upon all parties and all Persons having an interest in any portion of the land lying and being within the Community, for a period of twenty five (25) years from the date this Declaration is first recorded among the Public Records of Volusia County, Florida after which time the same shall be automatically extended for successive periods of twenty-five (25) years, unless termination in accordance with the terms of this Declaration.

18.2 Termination. This Declaration may only be terminated upon written consent of ninety percent (90%) of all of the Lot Owners in the Community (one (1) vote for each Lot), which written consent must be duly recorded in the Public Records of Volusia County, Florida, subject to, however, any required prior governmental approval or other applicable regulations. Notwithstanding anything to the contrary herein contained, so long as Declarant holds any Lot in the Community for sale in the ordinary course of business, this Declaration shall not be terminated without its consent.

18.3 Enforcement. In addition to the enforcement provisions otherwise contained in this Declaration, Declarant, the Association, or any Lot Owner shall have the right to proceed at law or in equity against any Person or Persons or other legal entities violating or attempting to violate any of the provisions set forth in this Declaration, or to recover damages for such

violations, and failure by the Association to enforce any provision set forth herein shall in no way be deemed a waiver of the right to do so thereafter.

18.4 Incorporation of Declaration. Any and all deeds conveying a Lot or any portion of the Community shall be conclusively presumed to have incorporated therein all of the terms, conditions, and provisions of this Declaration whether or not such incorporation is specifically set forth by reference in such deed, and acceptance of the grantee of such deed shall be conclusively deemed to be an acceptance by such grantee of all the terms and conditions of this Declaration.

18.5 Conflict with Other Governing Documents. In the event of any conflict between the provisions hereof and the provisions of the Articles, Bylaws, or Rules and Regulations promulgated by the Association, the provisions of this Declaration shall supersede and control. In the event of any conflict between the provisions of the Articles and the provisions of the Bylaws or Rules and Regulations promulgated by the Association, the provisions of the Articles shall supersede and control. In the event of any conflict between the provisions of the Bylaws and the provisions of the Rules and Regulations promulgated by the Association, the provisions of the Bylaws shall supersede and control.

18.6 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community and for the maintenance of recreational facilities and Association Property. Article, section, and paragraph captions, headings and titles inserted throughout this Declaration is intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter or any of the terms and provisions thereunder or the terms and provisions of this Declaration.

18.7 Construction. Whenever the context so permits or requires, the use of the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

18.8 Disputes as to Use. In the event there is any dispute as to whether the use of the Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Declaration, such dispute shall be referred to the Board, and a determination rendered by the Board with respect to such dispute shall be final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Declarant of the Property shall be deemed a use which complies with this Declaration and shall not be subject to a contrary determination by the Board.

18.9 Delegation. The Association, pursuant to a resolution duly adopted by the Board, shall have the continuing authority to delegate all or any portion of its responsibilities for maintenance, operation and administration, as provided herein, to any managing agency or entity selected by the Board from time to time and whether or not related to Declarant.

18.10 No Representations or Warranties. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DECLARANT, OR THEIR AGENTS OR EMPLOYEES IN CONNECTION WITH THE EXISTING OR FUTURE VIEWS THAT WILL BE AVAILABLE TO OWNERS. EACH

OWNER BY ITS PURCHASE OF A DWELLING UNIT OR A LOT ASSUMES THE RISK OF VIEW RESTRICTIONS CAUSED BY MATURATION OF TREES AND SHRUBBERY AND THE CONSTRUCTION OF ANY IMPROVEMENTS.

18.11 Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. Additionally, NEITHER DECLARANT NOR THE ASSOCIATION MAKES ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE PREMISES OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE. ALL OWNERS AGREE TO HOLD DECLARANT, THE ASSOCIATION AND ANY SUCCESSOR DECLARANT HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL MEMBERS, OWNERS AND OCCUPANTS OF ANY LOT OR DWELLING UNIT, AND TENANTS, GUESTS, AND INVITEES OF ANY OWNER ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD, DECLARANT, AND ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT THAT: (a) ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM, IF ANY, DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE ARB MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR (b) THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR DWELLING UNIT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD AND THE ARB, DECLARANT, AND ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR DWELLING UNIT, AND EACH TENANT, GUEST AND INVITEE OF ANY MEMBER OR OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS OR DWELLING UNITS, AND TO THE CONTENTS OF LOTS OR DWELLING UNITS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD AND THE ARB, DECLARANT, AND ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, MEMBER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

18.12 Association and Declarant as Attorney-In-Fact. Each Owner, by reason of having acquired ownership of a Lot, whether by purchase, gift, operation of law or otherwise, and each

occupant of a Dwelling Unit, by reason of his or her occupancy, is hereby declared to have acknowledged and agreed to his or her automatic consent to any rezoning, replatting, covenant in lieu of unity of title, change, addition or deletion made in, on or to the Community by Declarant (hereinafter, collectively, "Modifications") and, in respect thereto, each Owner of a Lot and occupant of a Dwelling Unit hereby designates the Association to act as agent and attorney-in-fact on behalf of such Owner or occupant to consent to any such Modification. If requested by Declarant, each Owner shall evidence his consent to a Modification in writing (provided, however, that any refusal to give such written consent shall not obviate the automatic effect of this provision). Further, each Owner, by reason of acceptance to such Owner's Lot, hereby agrees to execute, at the request of Declarant, any document and/or consent which may be required by any government agency to allow Declarant and/or its affiliates to complete the plan of development of the Community, as such plan may be hereafter amended, and each such Owner hereby further appoints Declarant as such Owner's agent and attorney-in-fact to execute, on behalf and in the name of each such Owner, any and all of such documents and/or consents. This power of attorney is irrevocable and is coupled with an interest. The provisions of this Section may not be amended without Declarant's prior written consent.

18.13 Severability. Invalidation of any one of these covenants, conditions, restrictions, or easements by judgment or court order shall in no way effect any other provision, which shall remain in full force and effect.

18.14 Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of Florida's statutory rule against perpetuities, then such provisions shall continue only until the maximum duration provided for under Florida law.

18.15 Binding Effect. This Declaration shall be binding upon and inure to the benefit of Declarant, the Association, and each of the Lot Owners, their respective heirs, personal representatives, successors, assigns, and grantees, and any and all Persons claiming by, through, or under any of said parties. The Association is a party to this Declaration so as to assume the obligations and responsibilities set forth herein.

18.16 Effective Date. This Declaration shall become effective upon recordation of this Declaration in the Public Records of Volusia County, Florida.

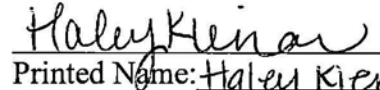
IN WITNESS WHEREOF, GEOSAM CAPITAL US (VENETIAN BAY) LP, a Delaware limited partnership has caused this Declaration of Covenants, Conditions, and Restrictions of Coastal Woods to be executed the day and year first above written.

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Signed, Sealed, and Delivered
In the presence of:



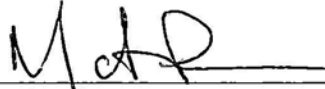
Printed Name: Amber Coleman
WITNESS #1



Printed Name: Haley Kiernan
WITNESS #2

GEOSAM CAPITAL US (VENETIAN BAY) LP,
a Delaware limited partnership

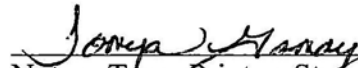
By: GEOSAM CAPITAL US GP LLC, a Delaware
limited liability company, its General Partner



By: Martin Pham, Manager

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 9th day of June, 2017, by Martin Pham as Manager of Geosam Capital US GP LLC, a Delaware limited liability company and General Partner of Geosam Capital US (Venetian Bay) LP, a Delaware limited partnership. He is personally known to me OR has produced _____ as identification.



Notary Type, Print or Stamp Name

My commission Expires 7-16-2017

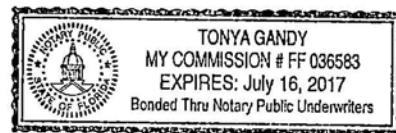


EXHIBIT "A"

A PORTION OF SECTIONS 9, 10, 15, 16, AND 22, TOWNSHIP 17 SOUTH, RANGE 33 EAST, VOLUSIA COUNTY, FLORIDA; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHWEST CORNER OF SECTION 15, TOWNSHIP 17 SOUTH, RANGE 33 EAST, VOLUSIA COUNTY, FLORIDA; RUN THENCE N89°00'44"E ALONG THE NORTH LINE OF THE NORTHWEST 1/4 OF SAID SECTION 15 A DISTANCE OF 275.00 FEET; THENCE S61°29'23"E A DISTANCE OF 591.78 FEET; THENCE N28°39'04"E A DISTANCE OF 438.70 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF A MONUMENTED RIGHT-OF-WAY LINE FOR PIONEER TRAIL (STATE ROAD 40A); THENCE S61°21'42"E ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE A DISTANCE OF 1,914.09 FEET TO THE NORTHWEST CORNER OF TRACT "A" OF ISLES OF SUGAR MILL, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 54, PAGES 55 THROUGH 60, PUBLIC RECORDS VOLUSIA COUNTY, FLORIDA, SAID CORNER ALSO BEING A POINT ON THE WEST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 15; THENCE S01°06'22"E ALONG THE WEST LINE OF ISLES OF SUGAR MILL AND THE WEST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 15 A DISTANCE OF 1,809.11 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF SAID SECTION 15; THENCE S01°06'27"E ALONG THE WEST LINE OF SAID SOUTHWEST 1/4 OF SECTION 15 A DISTANCE OF 1,320.91 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 15, SAID CORNER ALSO BEING THE SOUTHWEST CORNER OF GIBRALTOR BOULEVARD PER SAID PLAT OF ISLES OF SUGAR MILL; THENCE N88°46'55"E ALONG THE SOUTH RIGHT-OF-WAY LINE OF SAID GIBRALTOR BOULEVARD, SAID LINE ALSO BEING THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 A DISTANCE OF 597.59 FEET TO THE WEST RIGHT-OF-WAY LINE OF SUGAR MILL DRIVE; THENCE THE FOLLOWING THREE (3) COURSES AND DISTANCES ALONG SAID WEST RIGHT-OF-WAY LINE: (1) S01°43'50"E A DISTANCE OF 345.76 FEET TO A POINT OF CURVATURE ON A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 700.00 FEET, A CHORD BEARING OF S19°03'29"E, A CHORD DISTANCE OF 416.97 FEET, (2) SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 34°39'18", A DISTANCE OF 423.39 FEET TO A POINT OF TANGENCY; (3) S36°23'08"E A DISTANCE OF 169.88 FEET TO A POINT ON THE NORTHERLY LINE OF A 100.00 FOOT POWER TRANSMISSION RIGHT-OF-WAY AS RECORDED IN OFFICIAL RECORDS BOOK 1845, PAGE 101 OF THE PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA; THENCE THE FOLLOWING THREE (3) COURSES AND DISTANCES ALONG SAID NORTH RIGHT-OF-WAY LINE: (1) S86°45'49"W A DISTANCE OF 861.12 FEET TO A POINT OF CURVATURE ON A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 1436.69 FEET, A CHORD BEARING OF S75°24'19"W, A CHORD DISTANCE OF 565.90 FEET, (2) SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 22°43'00", A DISTANCE OF 569.62 FEET TO THE POINT OF TANGENCY; (3) S64°02'49"W A DISTANCE OF 842.14 FEET TO THE WEST LINE OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 22, TOWNSHIP 17 SOUTH, RANGE 33 EAST; THENCE N01°24'59"W ALONG SAID WEST LINE A DISTANCE OF 69.30 FEET TO THE SOUTH LINE OF THE SOUTHWEST 1/4 OF SECTION 15, TOWNSHIP 17 SOUTH, RANGE 33 EAST; THENCE S88°34'08"W ALONG SAID SOUTH LINE A DISTANCE OF 1,168.19 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF INTERSTATE 95 (STATE ROAD 9), AS SHOWN ON THE FLORIDA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP SECTION NO.: 79002-406869-6; THENCE N29°52'41"W ALONG SAID EASTERLY RIGHT-OF-WAY LINE A DISTANCE OF 7,275.67 FEET TO A POINT OF

CURVATURE ON A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 7639.44 FEET, A CHORD BEARING OF N19°23'25"W, A CHORD DISTANCE OF 2780.65 FEET, RUN THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 20°58'18", A DISTANCE OF 2796.24 FEET TO THE SOUTHERNMOST CORNER OF THE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 4399, PAGE 1094, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA, SAID POINT ALSO BEING A POINT OF NON-TANGENCY; THENCE THE FOLLOWING FOUR (4) COURSES AND DISTANCES ALONG THE SOUTHEAST LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 4399, PAGE 1094: (1) N41°50'37"E A DISTANCE OF 271.68 FEET; (2) N41°48'06"E A DISTANCE OF 722.88 FEET; (3) N55°02'38"E A DISTANCE OF 399.33 FEET; (4) N33°55'57"E A DISTANCE OF 115.23 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF A PRESCRIPTIVE RIGHT-OF-WAY LINE FOR PIONEER TRAIL (STATE ROAD 40A) AS DESCRIBED IN OFFICIAL RECORDS BOOK 6899, PAGE 3217, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA, SAID POINT ALSO BEING A NON-TANGENT POINT ON A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 634.82 FEET, A CHORD BEARING OF S37°13'22"E, A CHORD DISTANCE OF 426.75 FEET, RUN THENCE THE FOLLOWING FOUR (4) COURSES AND DISTANCES ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE: (1) SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF [REDACTED] A DISTANCE OF 435.22 FEET TO A POINT OF NON-TANGENCY; (2) N72°24'42"E A DISTANCE OF 15.00 FEET; (3) S17°35'18"E A DISTANCE OF 438.56 FEET; (4) N72°24'42"E A DISTANCE OF 22.50 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF A MONUMENTED RIGHT-OF-WAY LINE FOR PIONEER TRAIL (STATE ROAD 40A); THENCE S17°30'30"E ALONG SAID MONUMENTED RIGHT-OF-WAY LINE A DISTANCE OF 384.90 FEET TO A POINT ON THE EAST LINE OF THE NORTHWEST 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 33 EAST; THENCE S00°44'06"E ALONG SAID EAST LINE A DISTANCE OF 970.74 FEET TO A POINT ON THE SOUTH LINE OF SAID NORTHWEST 1/4; THENCE N88°36'48"E ALONG SAID SOUTH LINE A DISTANCE OF 296.96 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF A MONUMENTED RIGHT-OF-WAY LINE FOR PIONEER TRAIL (STATE ROAD 40A), SAID POINT ALSO BEING A POINT ON A NON TANGENT CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1222.01 FEET, A CHORD BEARING OF S31°20'04"E, A CHORD DISTANCE OF 364.15 FEET, RUN THENCE THE FOLLOWING SIX (6) COURSES AND DISTANCES ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE: (1) SOUTHEASTERLY ALONG THE THROUGH A CENTRAL ANGLE OF 17°08'15", A DISTANCE OF 365.51 FEET TO A POINT OF TANGENCY; (2) S39°54'11"E A DISTANCE OF 1,308.12 FEET TO A POINT OF CURVATURE ON A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 785.43 FEET, A CHORD BEARING OF S57°45'46"E, A CHORD DISTANCE OF 481.76 FEET, (3) SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 35°43'10", A DISTANCE OF 489.66 FEET TO A POINT OF TANGENCY; (4) S75°37'22"E A DISTANCE OF 360.96 FEET TO A POINT OF CURVATURE ON A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1352.00 FEET, A CHORD BEARING OF S68°29'32"E, A CHORD DISTANCE OF 335.64 FEET, (5) SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 14°15'39", A DISTANCE OF 336.51 FEET TO A POINT OF TANGENCY; (6) S61°21'42"E A DISTANCE OF 305.55 FEET TO A POINT ON THE EAST LINE OF THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 17 SOUTH, RANGE 33 EAST; THENCE S01°37'14"E ALONG SAID EAST LINE A DISTANCE OF 666.81 FEET TO THE POINT OF BEGINNING.