DECLARATION OF COVENANTS AND RESTRICTIONS DEER POINTE

THIS DECLARATION made this 9TH day of APRIL, 1993, by WE, LTD., a Florida limited partnership, hereinafter referred to as "Developer":

W I T N E S S E T H :

WHEREAS, Developer is the owner of certain real property known as DEER POINTE, according to the plat thereof as recorded in Plat Book 46, Page(s) 48 & 49, Public Records of Seminole County, Florida; and

WHEREAS, the above described real property shall hereinafter be referred to as the "Property"; and

WHEREAS, Developer desires to create on the Property a residential community of single family Lots with private streets, landscaped entranceway with security gates, sidewalks, a stormwater management system, including a retention point and a perimeter wall being hereinafter collectively referred to as the "Common Areas", and

WHEREAS, Developer desires to provide for the preservation of the values in said community and for the maintenance of the Common Areas and to this end, desires to subject the Property to the covenants, restrictions, easements, charges, and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner thereof; and

WHEREAS, Developer deems it desirable, for the efficient preservation of the values in said community, to create an agency to which will be delegated and assigned the power of maintaining the Common Areas; administering and enforcing the covenants and restrictions; collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer shall cause the Association referred to in Article I, to be incorporated as a non-profit corporation under the laws of the State of Florida for the purpose of exercising the functions aforesaid, copies of which Articles of Incorporation and Bylaws are attached as Exhibits "A" and "B", and are incorporated herein by this reference.

NOW, THEREFORE, the Developer declares that the Property is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens, sometimes hereinafter referred to as "covenants and restrictions", hereinafter set forth.

ARTICLE I

DEFINITIONS

SECTION 1. The following words when used in this Declaration or any supplemental declaration (unless the context shall otherwise prohibit), shall have the following meanings.

a. "Association" shall mean and refer to Deer Pointe Community Association, a Florida corporation not for profit.

b. "Property" shall mean and refer to DEER POINTE, according to the plat thereof as recorded in Plat Book 46, Page(s) 48 & 49, Public Records of Seminole County, Florida, and

THIS INSTRUMENT PREPARED BY:

such additions thereto as may hereafter be brought within the jurisdiction of the Association.

c. "Common Areas" shall mean and refer to those tracts of land which are deeded to the Association and designated in the Deed as "Common Property" and such improvements thereon as are specifically conveyed to the Association. The term "Common Property" shall also include all personal property acquired by the Association as well as all easements reserved on the plat of the Property or hereinafter conveyed to the Association. The Association shall assume the liability and provide for the perpetual maintenance of all walls, security gates and appurtenant equipment, streets, signs, asphalt pavement, sidewalks, drainage facilities and all lands lying within the road rights of way of the streets within the Property. All Common Property is to be devoted to and intended for the common use and enjoyment of the owners and their guests, lessees or invitees, subject to any rules adopted by the Association and subject to any use rights made or reserved by Developer prior to conveyance of such Common Property.

d. "Lot" shall mean and refer to any plot of land exclusive of the Common Areas, as shown upon the plat of DEER POINTE, according to the plat thereof as recorded in Plat Book 46, Page(s) 48 & 49, Public Records of Seminole County, Florida. The Lot shall also include a Living Unit at such time as a building is situated thereon.

e. "Living Unit" shall mean and refer to any portion of a building situated upon the Property, including the land upon which it rests, designed and intended for use and occupancy as a residence by a single family.

f. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot and Living Unit which is situated upon the Property; but, notwithstanding any applicable theory of the law of mortgages, Owner shall not mean or refer to a Mortgagee unless and until such Mortgagee has acquired title to a Lot pursuant to foreclosure or any proceeding in lieu of foreclosure.

g. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1, below.

h. "Master Association" shall mean and refer to Deer Run Property Owners Association #2, Inc., a Florida corporation. The Association shall be a member of the Master Association and be obligated to pay all dues and assessments levied as assessed by the said Master Association.

j. "Surface Water or Storm Water Management System" means the system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to Chapters 40C-4, 40C-40 or 40C-42, F.A.C.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

SECTION 1. The Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Seminole County, Florida, and is more particularly described as follows, to wit:

DEER POINTE, according to the plat thereof as recorded in Plat Book 46, Page(s) 48 & 49, Public Records of Seminole County, Florida

SECTION 2. Mergers. Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association, or alternatively, the properties, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation, pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants and restrictions established upon any other properties as one overall plan or scheme. No such merger or consolidation, however, shall effect any revocation, change, or addition to the covenants established by this Declaration within the Property except as hereinafter provided.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

SECTION 1. Membership. Every person or entity who is a record owner of a fee simple interest or undivided fee simple interest in any Lot, shall be a Member of the Association; provided, that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member.

SECTION 2. Voting Rights. The Association shall have two (2) classes of voting membership.

Class A: Class A Members shall be every person or entity who is a record owner of a fee simple interest or undivided fee simple interest in any Lot with the exception of the Developer. Class A Members shall be entitled to one vote for each Lot.

Class B: Class B Members shall be the Developer and the Class B Member shall have three (3) votes for each Lot owned by said Member.

The Class B membership shall cease and become converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

a. When the total votes outstanding in Class A membership equal the total votes outstanding in the Class B membership, or,

b. On December 31, 1995.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON AREAS: OTHER EASEMENTS

Section 1. Members Easements. Each Member, and each tenant, agent and invitee of such Member, shall have a nonexclusive permanent and perpetual easement over and upon the Common Areas for the intended use and enjoyment thereof in common with all other such Members, their tenants, agents and invitees, in such manner as may be regulated by the Association.

Without limiting the generality of the foregoing, such rights of use and enjoyment are hereby made subject to the following:

(a) The right and duty of the Association to levy assessments against each Lot for the purpose of maintaining the Common Areas and facilities in compliance with the provisions of this Declaration and with the restrictions on the plat of the Property from time to time recorded.

(b) The right of the Association to adopt at any time and from time to time and enforce rules and regulations governing the use of the Common Areas and all facilities at any time situated thereon, including the right to fine Members as hereinafter provided. Any rule and/or regulation so adopted shall apply until rescinded or modified as if originally set forth at length in this Declaration.

(c) The right to the use and enjoyment of the Common Areas and facilities thereon shall extent to all permitted user's immediate family who reside with him, subject to regulations from time to time by the Association in its lawfully adopted and published rules and regulations.

(d) The right of the Association, by a two-thirds (2/3) affirmative vote of the entire membership, to dedicate portions of the Common Areas to a public agency under such terms as the Association deems appropriate and to create or contract with special taxing districts for lighting, recreational or other services, security, or communications and other similar purposes deemed appropriate by the Association (to which such creation or contract all Owners hereby consent).

(e) The right of the Association to be a member and pay dues and assessments to the Master Association.

Section 2. Easements Appurtenant. The easements provided in Section 1 above shall be appurtenant to and shall pass with the title to each Lot.

Section 3. Maintenance. The Association shall at all times maintain in good repair and manage, operate and insure, and shall replace as often as necessary, the Common Areas, Common Property and all easements granted to the Association, and the roads, sidewalks, drainage structures, lighting fixtures and appurtenances, security gates, walls, irrigation systems, landscaping, directional signs, improvements and other structures situated on the Common Areas, if any, all such work to be done as ordered by the Board of Directors and the Association. Without limiting the generality of the foregoing, the Association shall assume all of Developer's and its affiliates' responsibility to Seminole County of any kind with respect to the Common Areas and shall indemnify and hold the Developer and its affiliates harmless with respect thereto.

All work pursuant to this Section and all expenses incurred hereunder shall be paid for by the Association through assessments (either general or special) imposed in accordance herewith. No Owner may waive or otherwise escape liability for assessments by nonuse of the Common Areas or by lack of development of their Lot.

Section 4. Surface Water or Stormwater Management System. The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system. Maintenance of the surface water or stormwater management system(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater

management capabilities as permitted by the St. Johns River Water Management District. The Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted, or if modified as approved by the St. Johns River Water Management District.

Section 5. Utility Easements. Use of the Common Areas for utilities, as well as use of the other utility easements as shown on the plat of the Property, shall be in accordance with the applicable provision of this Declaration. The Developer and its affiliates and its and their designees shall have a non-exclusive perpetual easement over, upon and under the Common Areas for the installation and maintenance of community and/or cable television and security and other communication lines, equipment and materials and other similar underground television, radio and security cables (and all future technological advances not now known) for service to the Lots and other portions of the Property.

Section 6. Public Easements. Fire, police, health and sanitation, park maintenance and other public service personnel and vehicles shall have a permanent and perpetual non-exclusive easement for ingress and egress over and across the Common Areas.

Section 7. Ownership. The Common Areas are hereby dedicated non-exclusively to the joint and several use, in common, of the Developer and the Owners of all Lots that may from time to time constitute part of the Property and the Developer's and such Owners' tenants, guests and invitees. The Common Areas (or appropriate portions thereof) shall, upon the earlier of completion of the improvements thereon or the date when the first Lot within the Property has been conveyed to a purchaser (or at any time and from time to time sooner at the sole election of the Developer), be conveyed to the Association, which shall accept such conveyance. Beginning from the date these covenants are recorded, the Association shall be responsible for the maintenance of such Common Areas (whether or not then conveyed or to be conveyed to the Association), such maintenance to be performed in a continuous and satisfactory manner without cost to the general taxpayers of Seminole County. It is intended that all real estate taxes assessed against the Common Areas owned or to be owned by the Association shall be proportionally assessed against and payable as part of the taxes of the applicable Lots within the Property. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Common Areas, the Association shall be responsible for the payment of the same, including taxes on any improvements and any personal property located thereon, which taxes accrue from and after the date these covenants are recorded, and such taxes shall be prorated between Developer (or the then Developer-affiliated Owner thereof) and the Association as of the date of such recordation. Developer and its affiliates shall have the right from time to time to enter upon the Common Areas and the portions of the Property for the purpose of construction, reconstruction, repair, replacement and/or alteration of any improvements or facilities on the Common Areas or elsewhere on the Property that Developer and its affiliates elect to effect and to use the Common Areas and other portions of the Property for sales displays and signs or for any other purpose during the period of construction and sale of any portion of the Property.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. Creation of the Lien and Personal Obligation of Assessments. The Developer for each Lot owned within the

Property hereby covenants and each Owner of any Lot by acceptance of a Deed therefore, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association:

(1) Annual assessments or charges, and

(2) Special Assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

(3) The Developer for each Lot owned within the Property hereby covenants to pay to the Association the Assessments set forth in paragraphs (1) and (2) above; provided, however, until such time as the Developer has sold and closed seventy-five percent (75%) of the Lots or commencing on December 31, 1995, whichever shall first occur, the Developer shall have the option to pay no less than twenty-five percent (25%) of the Lot Assessment. Notwithstanding the foregoing to the contrary, the Developer shall be required to pay to the Association any deficiency in monies needed by the Association until such time as the Developer has sold and closed seventy-five percent (75%) of the Lots at the Property or until December 31, 1995, whichever shall first occur.

Any annual and special assessments from time to time remaining unpaid, together with interest, cost, and reasonable attorney's fees, shall be a charge on a Lot and shall be a lien upon the Lot against which each such assessment is made, as provided in Section 3, g. of this Article. Each such assessment together with interest, cost, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an Owner's successor in title unless expressly assumed by them.

SECTION 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents and the Property and in particular for the maintenance of the Common Areas, including, but not limited to:

a. Payment of operating expenses of the Association;

b. Maintenance, improvement, repair and operation of the Common Areas, or any other additional lands as the Association may maintain for the benefit of its members;

c. Repayment of funds and interest thereon that have been or may be borrowed by the Association for any of the aforesaid purposes;

d. Doing any other thing necessary or desirable in the judgment of said Association, to keep the Property neat and attractive or to preserve or enhance the value of the Property, or to eliminate fire, health, or safety hazards.

e. Payment of dues and assessments to the Master Association.

SECTION 3. Maximum Annual Assessments.

a. Annual Assessment. Until January 1st of the year immediately following the conveyance of the first (1st) Lot by the Developer, the maximum annual assessment shall be THREE HUNDRED NINETY SIX DOLLARS ($396.00).

b. Increase in Annual Assessment. From and after January 1st of the year immediately following the conveyance of the first (1st) Lot by the Developer, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of each class of membership. The maximum annual assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy at a duly called meeting for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

c. Special Assessments for Capital Improvements. In addition to the Annual Assessments, the Association may levy in any assessment year a Special Assessment, applicable to that year only. Said assessment shall be levied by the Association for the purposes set forth in Article V, Section 2, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each Class of members who are voting in person or by proxy at a meeting called for this purpose.

d. Initiation Fee. In addition to the annual assessment, the Developer, at the time of closing of the sale of each Lot, shall have the right to cause a one time Initiation Fee of TWO HUNDRED DOLLARS ($200.00) to be paid to the Association. Such Initiation Fee shall be used to defray the initial start-up costs and expenses of the Association.

e. Notice and Quorum for any Action Authorized Under Section 3 b and c. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3, b and c shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At any such meeting so called, the presence of members or proxies entitled to cast fifty percent (50%) of the total votes of the membership shall constitute a quorum.

f. Date of Commencement of Annual Assessments; Due Dates. The Annual Assessments provided for herein shall commence as to all Lots on the first (1st) day of the month following the conveyance of the first Lot and shall be prorated according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed Certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

g. Effect of Non-Payment of Assessment. If any assessments are not paid on the date when due, then said assessments shall become delinquent and shall, together with such interest thereon and cost of collection thereon as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind such Lot in the hands of the then Owner, his heirs, devisees, personal representatives, and assigns. The personal obligation of the then Owner to pay such assessments, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by then, or unless the Association causes a lien to be recorded in the public records giving notice to all persons that the Association is asserting a lien upon the Lot.

after the delinquency date, the assessment shall bear interest from the date of delinquency at the maximum interest rate allowable under the laws of the State of Florida, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot, and there shall be added to the amount of such assessment interest, the cost of the action, including legal fees whether or not judicial proceedings are involved and including legal fees and costs incurred on any appeal of a lower court decision.

h. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be absolutely subordinate to the lien of any first mortgage now or hereafter placed upon the Lot subject to assessment. The subordination shall not release such Lot from liability for any assessments now or hereafter due and payable. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

i. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments, charges, and liens created herein: (i) all property to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (ii) all Common Areas as defined herein; (iii) all property exempt from taxation by the laws of the State of Florida, upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges, or lien.

j. Uniform Rate of Assessment. Both Annual and Special Assessments shall be fixed at a uniform rate for all Lots and may be collected on a quarterly, semi-annual or annual basis.

ARTICLE VI

ARCHITECTURAL REVIEW BOARD

No building, fence, wall, or other structure shall be commenced, erected, or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made, until the plan and specifications showing the nature, kind, shape, height, materials, and location of the same, shall be submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Review Board as hereinafter defined.

SECTION 1. Composition. The Developer, upon the recording of the Declaration, shall immediately form a committee known as the "Architectural Review Board", hereinafter referred to as the "ARB", initially consisting of three (3) persons designated by Developer. The ARB shall maintain this composition until control of the Association has been passed to the Owners other than the Developer. At such time the ARB shall be appointed by the Board of Directors of the Association and shall serve at the pleasure of said Board; provided, however, that in its selection, the Board of Directors of the Association shall be obligated to appoint the Developer or its designated representative to such Board for so long as Developer owns any Lots at the Property or has not completed the general plan or