

This Instrument Prepared By:
ERIC E. WAGNER
2065 NE 125th Terrace Road
Silver Springs, FL 32688

PROTECTIVE COVENANTS AND RESTRICTIONS FOR
TRAILS EAST

WHEREAS ERIC E. WAGNER, TRUSTEE, is the owner and developer of a subdivision located in Marion County, Florida, known as TRAILS EAST, pursuant to plat thereof recorded in Plat Book Z, pages 37-40, public records of Marion County, Florida; and

WHEREAS it is necessary that certain protective covenants and restrictions be adopted governing the use of the lands in said subdivision, which protective covenants and restrictions shall become part of all deeds, mortgages and other transfers of title to said property, and which shall be binding on all purchasers of lots and parcels of land in said subdivision, their heirs, successors and assigns, except as to Tract "A" of said subdivision and Business Lots 1-3, Block A, and Lots 1-5, Block B, except where they are specifically referred to in these Covenants and Restrictions; and

WHEREAS these Covenants and Restrictions are placed upon TRAILS EAST to insure the best use and the most appropriate development and improvement of each lot and parcel to protect the owners of lots and parcels against improper use of surrounding lots and parcels and consequent depreciation in the value of their property, to preserve, as far as practicable, the natural beauty of TRAILS EAST and to secure and maintain a high quality of improvement and enhance the value of the investment made by the purchasers of property in TRAILS EAST.

NOW, THEREFORE, in consideration of the above and foregoing and for the orderly development and continued preservation of the lands, the undersigned does hereby declare, decree and covenant to and with the several owners and purchasers of all or any part of said lands, their heirs, legal representatives and assigns, that the following protective covenants and restrictions shall be considered as included in any deed or contract of conveyance as to the lands or any part thereof, and that the recording of this instrument in the public records of Marion County, Florida, shall be constructive notice of the existence of said protective covenants and restrictions and shall be effective and binding on said lands, or any part thereof, except as to Tract "A" of said subdivision and Business Lots 1-3, Block A, and Lots 1-5, Block B, except where they are specifically referred to in these Covenants and Restrictions, upon the purchasers of said lands or any part thereof, their heirs, legal representatives, successors and assigns, to-wit:

ARTICLE I

Definitions

Section 1. Definitions. The following words when used in the Declaration or any supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) "Association" shall mean and refer to Trails East Property Owners Association, Inc., its successors and assigns.
- (b) "Blocks" shall mean those separate areas designated as Blocks on the plat for the subject property.
- (c) "Common Areas" shall mean and refer to those areas of land shown on any recorded subdivision plat of the subject property or additions to the subject property, other than the homesites and recreational areas, which areas are intended to be used and enjoyed by owners of homesites in the subject property and additions to subject property, which include without limitation, any private roads and drainage areas, easements for roads, walkways, parking areas and paths and utilities, and all improvements now or hereafter constructed

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LAWRENCE D. LEFFELER
COUNTY ENGINEERING ADMINISTRATOR
3230-D S. E. MARICAMP ROAD
OCALA, FLORIDA 32671

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VERIFIED
MARION COUNTY, FL
1987 DEC -7 PM 12:37

BY *Sharon E. Stegman* D.C.
87-076335

thereon including, without limitation, streets, lighting systems, (except for light posts on any homesite, the operation, maintenance and electricity of which shall be the responsibility of the homeowner of that homesite), signage, structures, lakes and landscaping thereon.

(d) "Declarant" shall mean ERIC E. WAGNER, TRUSTEE, owner of those certain tracts of land which have been platted as TRAILS EAST, as well as his assigns, or the Association.

(e) "Declaration" means this Declaration of Covenants and Restrictions of TRAILS EAST.

(f) "Homesite" shall mean and refer to any plot of land shown on any recorded subdivision plat of the properties which has been designated by the Declarant to contain a living unit. The word "homesite" shall also include the living unit located thereon when one has been constructed on the homesite. Homesite shall not include Tract "A", which is excepted herefrom, nor Lots 1-3, Block A and Lots 1-5, Block B, which are zoned and reserved for Business.

(g) "Living Unit" shall mean and refer to any building or portion of a building situated upon a homesite designed and intended for use and occupancy as a single residence.

(h) "Member" of the Association shall mean and refer to all lot owners, owners of a homesite and the Declarant.

(i) "Owner" shall mean and refer to the record-owner, whether one or more persons or entities, of the fee or undivided fee interest in any homesite located within the properties, including the Declarant, but shall not mean or refer to any mortgagee unless and until such mortgage has acquired title pursuant to foreclosure or any proceeding lieu of foreclosure.

(j) "Recreational Areas" shall mean and refer to those areas of land shown and designated on any recorded subdivision plat of the subject property or additions to the subject property, or otherwise designated by Declarant, as being used for recreational facilities or purposes, and shall be used for recreational, social and cultural purposes by the Association and the owners and their guests, invitees and lessees and may include common areas as designated by Declarant.

(k) "Rules and Regulations" mean any and all rules and regulations promulgated by the Declarant or established from time to time by the Declarant or his assigns. Declarant reserves the right to modify, adopt or promulgate rules and regulations in his sole discretion.

(l) "Subject Property" shall mean and refer to TRAILS EAST, according to the plat thereof, Public Records of Marion County, Florida. The Declarant reserves the right to make such changes and/or modifications to the plat as are required by appropriate governmental authorities, or as are generally consistent with the quality of the development in the platted area. Tract "A" and Business Lots 1-3, Block A, and Business Lots 1-5, Block B, are not a part of "Subject Property". They are, however, subject to utility assessments for maintenance and Business Lots are subject to storm water system maintenance and road maintenance as well as utility assessments.

(m) "TRAILS EAST" or "The Properties" shall mean and refer to the Subject Property.

ARTICLE II

Property Subject to this Declaration

Section 1. Subject Property. The Subject Property as heretofore defined and any improvements now or hereafter constructed thereon shall be held, transferred, sold, conveyed and occupied subject to this Declaration, except Tract "A" and Lots 1-3, Block A, and Lots 1-5, Block B, which are zoned Business. Declarant reserves the right to alter or change the zoning on non-"Subject Property" and to convert these properties to duplex or multi-family use.

ARTICLE III

Rights in the Common Areas and Recreational Areas

Section 1. Owner's Easements in Common Areas. Subject to the provisions of Section 2 and the additional provisions of the Declaration, every owner, his guests, invitees, licensees and tenants shall

have a right and perpetual nonexclusive easement of enjoyment and use in and to all the common areas for the purpose for which they are created as described herein, or on any recorded plat wherein such common areas are described, and such easement shall be appurtenant to and shall pass with title to every homesite or living unit. Such easements of enjoyment and use shall include, but not be limited to, the owner's right of ingress and egress over the streets, roadways and walkways on the common areas for purposes of access to a homesite or living unit, and Declarant shall have a right of ingress and egress for itself and its guests, agents, employees, invitees, licensees and tenants over such streets, roadways and walkways during any time the Declarant is constructing or repairing a living unit thereon, renting a living unit belonging to Declarant, or providing any other service or activity required of or allowed to Declarant in the Declaration. No homeowner shall have any greater or lesser rights than any other homeowner or the Declarant in any common area which encumbers such homeowner's homesite.

Section 2. Recreational Areas. Declarant intends to construct certain improvements on the recreational and common areas for the use of the owners.

(a) Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the recreational and common areas which shall be appurtenant to and shall pass with the title to every lot, tract or unit subject to the following provisions:

(i) The right of the Declarant or the Association to promulgate reasonable rules and regulations respecting use and enjoyment of the recreational areas or any portions thereof.

(ii) The right of the Declarant or the Association to charge reasonable fees for the use and maintenance of any recreational facility now or hereafter situated or constructed upon the recreational areas.

(iii) The right of the Declarant or the Association to suspend the right to use the recreational facilities by an owner for any period during which any assessment against that owner's lot, tract or unit remains unpaid, and for any infraction by an owner of the Declarant's published rules and regulations for the duration of the infraction and for an additional period thereafter not to exceed sixty (60) days.

(iv) The right of the Declarant or the Association to grant easements upon, across, over and under the recreational or common areas for ingress, egress, installation, replacement, repair and maintenance of security and similar systems, and all utilities, including but not limited to, electric, water, sewer, gas and telephone utilities.

(v) The right of the Declarant or the Association to dedicate or transfer all or any portion of the recreational or common areas for such purpose and subject to such condition as may be agreed to by the Declarant or the Association so long as owners' right of enjoyment is not affected.

(b) Delegation of Use. Any owner may delegate his or her right of enjoyment of the recreational and common areas and facilities to the members of his or her family, tenants, social invitees and contract purchasers in possession, subject to such conditions, limitations and restrictions respecting the manner and extent of delegation of an owner's right of enjoyment to the recreational areas as may be contained in the Association's published rules and regulations respecting same.

Section 3. Delegation of Use. Any owner may delegate his right of enjoyment to the common areas and recreational areas to the members of his family, his bona fide guests and invitees (defined as any guest staying with the owner for twenty-four (24) hours or more, his guest and contract purchasers who reside in his living unit, subject to such rules and regulations that may be established from time to time by the Declarant. All guests must be accompanied by a resident any time

guests are using any recreational areas.

Section 4. Rules and Regulations. Declarant and the Association shall have the right in its sole and absolute discretion to adopt, modify, amend and terminate at any time and from time to time rules and regulations for the use of the common areas and the recreational areas.

ARTICLE IV

The Association

Section 1. Association. TRAILS EAST PROPERTY OWNERS ASSOCIATION, INC., ("the Association"), a Florida corporation not for profit has been organized as a service corporation. The Association shall act in accordance with the terms and provisions of this Declaration, the Articles of Incorporation of the Association and the By-Laws of the Association.

Section 2. Membership. Every owner of a living unit or homesite and the Declarant shall be a member of the Association. Except in the case of Declarant, membership shall be appurtenant to and may not be separated from ownership of any living unit or homesite.

Section 3. Voting Rights. The voting rights in the Association shall be as follows:

(a) The Declarant shall control the Association and its sole vote on all matters shall be determinative until such time as Declarant shall authorize voting by other members, at its sole discretion.

(b) When authorized by Declarant, all owners of homesites shall be entitled to one vote for each homesite owned. It is contemplated when 95% of the "Subject Property" or homesites are sold, control shall pass to the Association. Until such time, owners' votes shall be considered but not binding on Declarant. When more than one person holds an interest in any homesite, all such persons shall be members but in no event shall more than one vote be cast with respect to any single homesite. In the event all of the owners of a homesite cannot agree on any vote, no vote shall be cast for such homesite, provided, however, that the Association may conclusively rely on the vote cast by any of the owners of a homesite as being authorized by all such owners unless the Association has been notified in writing to the contrary by one of such owners.

Section 4. Director for Declarant. Declarant shall always be entitled to appoint one member to the Board of Directors of the Association.

Section 5. Dissolution of Association. In the event of dissolution of the Association for whatever reason, any owner or the Declarant may petition the Circuit Court of the Fifth Judicial Circuit of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and the properties in the place and stead of the Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and the properties, including reinstatement of the Association as an active Florida corporation.

ARTICLE V

Membership in the Association

Section 1. Member. The members of the Association shall consist of the Declarant and all owners of homesites with the properties provided that any such person or entity who holds an interest merely as security for the performance of any obligation shall not be a member unless they have obtained record title to the homesite by foreclosure or deed in lieu of foreclosure.

Section 2. Change of Membership. Change of membership in the Association shall be established by recording in the Public Records of Marion County, Florida, a deed or other instrument establishing a record title to a homesite in the properties. The owner designated by such instrument thus will become a member of the Association and the membership of the prior owner will be terminated. The new owner

shall notify the Association and Declarant of the recording of the deed or other instrument establishing record title and shall furnish the Association and Declarant a certified copy of such instrument.

ARTICLE VI

Covenants for Maintenance Assessments

Section 1. Purpose of Assessments. The assessments levied by the Declarant shall be used in the sole and absolute discretion of the Declarant for the purpose of promoting the recreation, health, safety and welfare of the resident in TRAILS EAST; constructing, maintaining, operating, repairing and replacing improvements on the common areas and recreational areas; enforcing the covenants and restrictions; and for the maintenance, operation, repairing and replacing of properties, services, and facilities which have been constructed, installed or furnished, or may subsequently be constructed installed or furnished, which are devoted to the purpose and related to the use and enjoyment of the common areas and recreational areas including, but not limited to, the payment of taxes, and insurance on the common areas and recreational areas, and repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof. The assessments shall also be used for maintaining the lawns and landscaped areas of the common areas and recreational areas and for all utility costs including electricity, water, gas, and telephone used in connection with the foregoing, and for road and drainage facilities, repair and maintenance. The assessment may also provide reasonable reserves for deferred maintenance and replacements for construction of common areas, recreational areas, and shall also be used as a means of enforcing compliance with these restrictions.

Section 2. Assessments. Each owner of any homesite by acceptance of a deed therefore, whether or not is shall be so expressed in any such deed or other conveyance, hereby covenants and agrees to pay to the Declarant:

(a) An annual assessment payable in advance in equal monthly installments on the first day of each month. Such assessment shall be for any costs and expenses relating in any way to any of the items described in Section 1 above other than for the road and drainage (which is subject to a specific assessment as described in sub-section (c) below).

(b) Special Assessments that the Declarant deems appropriate for violations of the Declarations and damages resulting therefrom as provided in this Declaration.

(c) Roads and drainage assessments, such assessments to be fixed, established and collected from time to time for the maintenance and repair of the roads and drainage areas and facilities of the common areas in perpetuity. These funds will be deposited in an interest bearing escrow account and will be withdrawn by Declarant in its sole and absolute discretion only for the maintenance and repair of any and all such roads and drainage areas. The Declarant shall not be required to pay any assessments whether annual, special or road and drainage easements, for any homesites or any other property it owns in TRAILS EAST.

All such assessments, together with such interest thereon and costs of collection thereof including, without limitations, reasonable attorney's fees incurred by the Declarant incident to the collection of such assessments whether or not judicial proceedings are involved, and appeals, if any, shall constitute a continuing lien upon the homesite against which each such assessment is made. Said lien shall be effective from and after the time of recording a claim of lien in the Public Records of Marion County, Florida, and the lien shall continue in effect until all sums secured by the lien shall have been fully paid. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien. Each assessment, together with interest thereon and cost of collection, including without limitation, reasonable attorney's fees incurred by the

Declarant incident to the collection of such assessment whether or not judicial proceedings are involved and appeals, if any, shall also be the personal obligation of the person who is the owner of such homesite at the time the assessment is due and payable. No assessments may be offset by any claims by any owner or the Association against Declarant for any reason.

Section 3. Delinquent Assessments. If any annual assessment or installment thereon is not paid within thirty (30) days after the due date, a late fee may be charged by the Declarant, and the Declarant may accelerate the remaining installments of the regular annual assessment for that calendar year which otherwise would not be due, and declare the entire assessment as to that delinquent owner due and payable in full as if the entire amount was originally assessed. Interest shall accrue on any unpaid assessment whether or not accelerated, at the highest rate allowed by law. Accounts delinquent in excess of sixty (60) days or those twice delinquent more than thirty (30) days may be charged for the annual assessment for the next calendar year in advance and shall be subject to the same collections, lien and foreclosure proceedings as otherwise provided for herein. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the common areas, the recreational areas, or abandonment of his homesite.

Section 4. Rights of Declarant to Collect Delinquent Assessments. Liens for assessments may be foreclosed by suit brought in the name of the Declarant in like manner as a foreclosure of a mortgage on real property. The Declarant may also sue to recover a money judgment for unpaid assessments against the owner personally obligated to pay same without waiving the lien securing same.

Section 5. Method of Setting Annual Road Drainage Assessments. The initial annual assessment may be initiated, increased and decreased by the Declarant at Declarant's sole discretion. The initial annual assessment for each homesite in TRAILS EAST shall, however, be no more than \$60.00, payable in advance in equal monthly installments of \$5.00 per month on the first day of each month. This assessment is for the first year only and may be increased or decreased dependent upon the requirements for maintenance.

Section 6. Method of Setting Annual Maintenance and Replacement Assessment. The initial annual assessment may be initiated, increased and decreased by the Declarant at Declarant's sole discretion. The initial annual assessment for each homesite in TRAILS EAST shall, however, be no more than \$60.00, payable in advance in equal monthly installments of \$5.00 per month on the first day of each month. This assessment is for the first year only and may be increased or decreased dependent upon the requirements for maintenance.

Section 7. Special Assessments. Special assessments may also be collected and enforced as provided in Article XIII.

Section 8. Certificate of Assessment Liability. Upon demand, the Declarant shall furnish a certificate in writing signed by the Declarant to any owner liable for an assessment. The certificate shall state whether said assessment has been paid and shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Allocation of Assessments Among Homesites. The allocation of annual, road and drainage assessments (but no special assessments incurred as a result of violation of the Declaration, Articles of Incorporation and By-Laws) shall be set so that all homesites shall be assessed at an equal rate, except the Declarant shall not be required to pay any assessments for the homesites it owns.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

(a) Any parcel of property which serves as an easement or which is dedicated and accepted by a local public authority and devoted to public use;

(b) All common areas as defined in Article 1, Section 1(c) and all recreational areas as defined in Article 1, Section 1(j), the sewer plant site and the water plant site;

(c) All portions of the properties owned by the Declarant or in which the Declarant has an interest.

ARTICLE VII

Maintenance

Section 1. Maintenance by the Owner. Unless designated as the responsibility of the Declarant in Section 2 of Article VII, each owner is responsible for maintenance in good order, condition and repair of the interiors and exteriors of living units and of all mechanical equipment, plumbing and electrical facilities located on a homesite servicing the living unit thereon, and any pool, hot tub, spa or similar facility located on a homesite, and any equipment and appurtenances. The owner shall promptly perform such maintenance so as to keep the living unit and homesite in a good state of repair and in conformity with the aesthetic standards required from time to time. No owner shall in any way maintain or improve any areas for which the Declarant has the responsibility for maintenance without the prior written consent of the Declarant.

Section 2. Maintenance by the Declarant. The Declarant shall be responsible for the exclusive maintenance and repair of the following:

(a) Lawn and Shrubs. The Declarant or the Association shall maintain and care for those lawn and shrub areas within the properties which are a part of the common areas and recreational areas other than areas with utility and road easements over homesites which shall be the responsibility of the owner. Such maintenance by the owner shall be limited to mowing, trimming and edging of lawns and shrubs. The Declarant, in its sole discretion, shall determine the need for replacement and/or improvement of landscaping, lawns and shrubs.

(b) Private Roads, Walkways, Parking Areas and Paths. The Declarant shall maintain and repair all private roadways, walkways, parking areas, paths and drainage areas, if any, throughout the properties. (The above description is not to be construed to include driveway or garages located on individual homesites, the maintenance of which shall be the obligation of the owner of said homesite.) In the event any such roadways, walkways, parking areas, path or drainage areas are damaged as a result of the negligence of an owner, or his family, guest, licensee, invitee, or tenant, the Declarant may repair or replace such damage and demand reimbursement from such owner by delivery of written notice thereof. If such owner does not reimburse Declarant within fifteen (15) days of such notice, then Declarant may levy a special assessment against the owner for reimbursement.

Section 3. Declarant May Contract for Services. The Declarant may contract for the management of all or part of the properties for purposes of carrying out all of a portion of the maintenance services provided for in this Declaration. The Declarant may contract with public or private utility companies, including without limitation a private utility company with which Declarant is affiliated or controls, for purposes of supplying utility services to the properties and the costs and expenses charged by such utility companies shall be separately billed to the owner of a homesite by such utility companies and shall not be included in the annual assessments.

Section 4. Maintenance of Fences. Any fence surrounding any common areas or the project boundary of the properties shall be maintained by the Declarant, and a perpetual easement of ingress and egress of the homesites and living units abutting the fences is hereby granted to the Declarant for purposes of construction and maintenance activities related to any such fences and shall be paid pursuant to Article VI.

ARTICLE VIII

Restrictive Covenants

Section 1. The Properties Subjected to Restrictive Covenants. In addition to other restrictions, reservations and conditions set forth

elsewhere in this Declaration, the properties shall be subject to the following restrictions, reservations and conditions, which shall be binding upon each and every owner, with the exception of the Declarant, who shall acquire hereafter a homesite or any portion of the properties, except Tract "A", Lots 1-3, Block A, and Lots 1-4, Block B, which are zoned Business, and shall be binding upon their respective heirs, personal representatives, successors and assigns.

(a) No building or other structure shall be erected in that part of the said property zoned residential other than one single family residence which shall include an enclosed garage per lot.

(b) No platted lot in the subdivision shall be subdivided into less than the original size. An increase in size is allowable by adjoining lots being made into one homesite or by Developer by adjusting adjoining lot lines.

(c) Temporary structures shall not be used as a residence. No building, fence, wall, drive, dock or other structure shall be erected, placed or altered on said residential lots in the subdivision until the proposed building plans, specifications, exterior color of finish and a site plan showing the location of the home, drives, patios, decking or other structures have been approved in writing by Declarant or his approval committee which may be appointed by Declarant, or his successors or assigns. No plans will be approved unless the proposed dwelling has a minimum of 1,500 square feet of enclosed area.

(d) The term "living area" as used in this minimum size requirement shall mean the total enclosed area within a dwelling exclusive of the required garage and any terraces, decks, open porches and the like. A variance, not to exceed 10% of the minimum size restriction, may be granted by Declarant or his approval committee, or his assigns, upon the determination that the plans as submitted are in conformity with the character of the lot and that the residence will, in fact, be suitable for the property. Homes are to be constructed on lake-front lots so as not to unduly obstruct the view of lakeview homesites.

(e) Refusal to approve plans or the approval of plans for the location or specifications by the Declarant or the Declarant's approval committee may be based on any grounds, including purely aesthetic considerations which in his own discretion he shall deem sufficient.

(f) One copy of all plans and related data shall be furnished to Declarant or the approval committee or his assigns and shall be held and preserved by him and shall not be disclosed or used for any purpose except as herein set forth. No structure shall be erected, altered, placed, or permitted to remain on any lot other than as approved in writing as hereinabove set forth.

(g) All property lines shall be kept free and open and fences shall not be erected on any lot or lot lines except where designated and approved by Declarant or his approval committee, and any fence or other enclosure or structure or aesthetic feature shall be so designed as to contribute to and be in keeping with the character of the area.

(h) Use and occupancy of all lots within the subdivision shall be subject to Marion County zoning, building, health and sanitation regulations of the appropriate governmental agencies having jurisdiction thereof.

(i) Owners of all buildings erected within the subdivision must be connected to the central water and central sewer system. Private well and septic tanks are prohibited and no irrigation from the lake is permitted.

(j) Individual lot owners shall be responsible for maintenance, repairs, regrassing and mowing of their lot to the edge of the paved road to be performed on a regular basis and any storm water drains installed under private driveways during residential construction will be owners responsibility and continued maintenance is required by owner and any damage to the paved road resulting from building construction or lot improvements shall be the responsibility of the individual lot owners. In the event lot owners shall fail to do so, then Declarant or his assigns, including the Trails East Property Owners Association, may upon notice to the owner at his last known address do so and bill the owner for the cost of such maintenance which shall be a lien upon that lot owner's property.

(k) Declarant, or his successors and assigns, reserves the right to grant easements and rights-of-way for construction, installation and maintenance of utilities such as power lines, drains, water and sewer lines, gas lines, telephone and telegraph lines, cable television lines or satellite television lines, in his sole discretion. Such easements and rights-of-way shall be confined to the area along every street and along lot lines and shall grant access to the drainage retention areas for mowing paths or walkways for access by all lot owners, and for the maintenance or any improvements thereof to the drainage retention areas and for the use and enjoyment thereof by all lot owners.

(l) Each lot or tract shown on the plat are subject to the terms and conditions of the recorded plat of TRAILS EAST.

(m) Tract "B" is reserved for water plant site, television antenna system, and such other uses as may be designated by either East Marion Water Distribution, Inc., and/or Declarant. A portion of this Tract may be utilized for additional recreational facilities or storage; Tract "C" is reserved for sewer treatment plant site and television antenna system and shall be owned and maintained by East Marion Sanitary Systems, Inc., and/or Declarant and may be utilized for additional recreational facilities or storage; Tract "D" is reserved for recreation facilities and shall be owned by the Association and is so dedicated on the recorded plat and will be conveyed following recordation; all drainage retention areas shall be owned and maintained by Declarant and/or by the Association and access to the retention areas shall be by lot line easement for the purpose of mowing and improving the retention areas and for access by owners for use as recreation areas, subject to the assessments for maintenance by Declarant. Tract "B" and "C" may be utilized for storage of recreational vehicles and boats under rules and regulations established by Declarant and the utility companies including the charge of a reasonable fee.

(n) Nothing shall be placed on any part of any homesite which is reserved as an easement or right-of-way for street, road or walkway, utilities, or drainage if such shall interfere with the construction, use and maintenance of said roads, street, walkways, drainage and utilities. In the event any structure, trees or other vegetation interferes with the use of such easement or right-of-way, the same may be removed by the Declarant within fifteen (15) days of written notice to such owner. If said owner shall fail to reimburse Declarant, Declarant shall levy a special assessment against such owner for reimbursement pursuant to the provisions hereof.

(o) All structures, buildings, additions or improvements shall be set-back at least as far as required by the set-back requirements as specified by the Marion County, Florida, Building and Zoning Code.

(p) No items may be stored on a homesite outside a living area, including without limitation, scrap metal, junk or salvage materials, items or articles whether the same be in the form of wrecked or junked vehicles, appliances, furniture, equipment, building materials, large commercial vehicles. This would include anything that would be unsightly and not in keeping with the natural beauty of the surrounding area, including large recreational vehicles, boats and commercial vehicles and travel trailers.

(q) All driveways and storm water drains shall be maintained by owner. Driveways will not be painted or covered.

(r) No dumping of any type of trash is allowed on the property or surrounding area, including the abutting Ocala National Forest and Bream Pond area. All trash shall be removed.

(s) No business, commercial enterprise or business activity of any kind shall be carried on or conducted on or from any residential lot.

(t) No noxious or offensive activity shall be carried on upon any homesite, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, nor shall any disturbance be permitted which will interfere with the rights, comforts or convenience of other owners and their guests, invitees or leasees. Owners shall be prohibited from doing anything or conducting any activity which would detract or in any way deter from the beauty or natural aesthetic of TRAILS EAST.

(u) The Declarant reserves the right in its sole and absolute discretion to make modifications, clarification, changes and interpretations of all restrictions and covenants contained herein and as provided hereafter and its determination shall be final.

(v) If any person shall violate or attempt to violate or in any way fail to abide by any of these covenants and restrictions, or any rules and regulations, it shall be lawful for the Declarant or any other person(s) owning any homesite in the properties to conduct such legal proceedings as are available to enforce compliance therewith, to prevent further or continued violation, and to recover damages, attorneys' fees, court costs and litigation costs and expenses for such violation or attempted violation.

(w) The Declarant, or its employees, agents or assigns, after giving an owner reasonable notice and opportunity to cure a violation of these covenants, may enter upon a homesite for the purpose of curing the violation and the same shall have no liability to the owner, whether for trespass or otherwise as a result of such entry upon the homesite. Declarant may impose a special assessment in an amount to be determined in the sole and absolute discretion of Declarant against any owner who fails to abide by, or whose guests, invitees and tenants fail to abide by any of these covenants and restrictions or any rules and regulations.

(x) If any portion of the Declaration is declared unconstitutional or if the applicability of this Declaration against any person or in any circumstances is held invalid, the validity of the remainder of the covenants and restrictions shall not be affected thereby. If any word, sentence, phrase, clause, section or portion of such covenants and restrictions shall be held invalid or unconstitutional by a court of competent jurisdiction, such portion or word shall be deemed a separate and independent provision and such holding shall not affect the validity of the remaining portions hereof.

(y) Subject property is hereby subjected to a prorata share of the costs of repair, maintenance or replacement of the storm water management system as set forth in the St. Johns River Water Management District Permit #4-083-0100 as shall be installed by the Declarant and each lot is hereby subjected to a prorata share of the cost of repair, maintenance and/or replacement of the private roads and drainage retention areas as shall be installed by the Declarant and that each total number of lots in said development as platted shall be subject to their proportionate share of said assessments for the perpetual repair, maintenance and replacement costs of the retention areas and all other improvements contemplated by the storm water management permit, including the storm water management system and the retention areas, the paved and developed roads, the recreation area and all other improvements installed by the Declarant. These assessments may be enforced by the Declarant or by the Association, or their assigns and all such assessments shall be subject to the following:

(1) By assessing and collecting any such assessment, the property owners association, the developer, or the Declarant, shall be obligated to do the work for which such assessment is levied and pay the costs thereof from such assessments.

(2) Each assessment shall constitute a debt from the owner or owners of the lots against which or with respect to which the same shall be assessed, payable in accordance with the terms of the assessment, and be enforceable in any court of competent jurisdiction. In the event that any proceedings are instituted to collect or enforce such assessment or the lien therefor, the plaintiff shall be entitled to recover from the owner or owners of such lots all costs, including reasonable attorneys' fees, incurred in or about such proceedings and all such costs shall be secured by such lien.

(3) No lien shall be asserted pursuant to this instrument unless and until there is recorded in the public records of Marion County, Florida, an instrument duly executed by the appropriate official of the Association, the developer or by the Declarant setting forth the terms and provisions of the assessment for which such lien is asserted and any lien

arising pursuant to this instrument shall attach and be enforceable from and after the recording of such instrument.

(z) The purpose of this covenant is to assure the continued maintenance and servicing of the storm water management and storage of surface waters pursuant to the permit issued, #4-083-0100, and to assure the continued maintenance of the streets, street signs, and all improvements installed by the Declarant and of the drainage retention areas and of the recreation areas. It is understood that all conditions of installing all systems pursuant to Permit 4-083-0100 shall be the responsibility of Declarant.

(aa) The Declarant undertakes the responsibility of the construction of the improvements as set forth on the plat of TRAILS EAST. However, each lot when sold in the subdivision shall be responsible for its' proportionate share of the maintenance of the constructed systems.

(bb) The Declarant reserves the right either through Declarant, the Association or by independent contractors, to establish a cable television service for the development and reserves the right to amend the covenants and restrictions to prohibit television dish or antenna hook-up. If provided, this cable television reception service and optional movie channels, if installed, shall be at a monthly fee and hook-up charge competitive with like systems in the area.

(cc) Improvements and amenities such as a guard house at the residential entrance gates at front entrance and rear entrance may be installed. Maintenance shall be part of the annual maintenance charge. Security service may be supplied by Declarant or the Association. Also, at the option of the Declarant or the Association, the cost of this service would be paid through the annual assessment if Declarant or the Association deemed such security advisable. The cost would be limited to a posted security guard at the front entrance or such other security as the Association or Declarant might deem advisable.

(dd) Though TRAILS EAST is a private road subdivision, in order to restrict through traffic and to enable the Declarant and the Association to restrict access, the Declarant having agreed and having contracted to build the streets and roadways throughout the development to County specifications and agreed to County testing, reserves the right in the future should Declarant or the Association so desire to petition the County of Marion to accept the roads for maintenance.

(ee) It is understood that the Declarant specifically reserves the right to file subsequent restrictions regarding the use of the lands and lots and all property designated and recorded as TRAILS EAST in that the above and foregoing are recognized by the Declarant as preliminary restrictions and are prepared prior to completion of the development and are prepared prior to and simultaneously with the recordation of the plat and the Declarant specifically notifies any and all purchasers that there will be a necessity to delete, modify and amend these restrictions as the development progresses to make appropriate provisions for access to the property and for changes of restrictions to conform with the development as completed.

(ff) These restrictions and covenants are preliminary in nature and are subject to change at the exclusive option of the Declarant or his successors or assigns.

(gg) The Declarant, ERIC E. WAGNER, TRUSTEE, does hereby specifically reserve the right to assess for the payment of any special assessments which may be permitted by law to finance the costs incurred in connection with the maintenance, operation and construction of the central water system and central sewer system and reserve unto the central water system and central sewer system the right to levy liens for the nonpayment of bills and to assess in accordance with the law for any maintenance or repair of the water and sewer facilities and any improvements, maintenance and repairs necessary in the future for all improvements on the property subject to this plat, including but not limited to Declarant, East Marion Sanitary Systems, Inc., East Marion Water Distribution, Inc., and all maintenance of any improvements placed upon the property by the developer.

(hh) The Declarant reserves the right to transfer to the Association or retain all obligations for maintenance and repair on the

improvements contemplated or installed on the properties, together with all rights and responsibilities contained herein.

(ii) There shall not be maintained any plants, poultry, livestock, animals or device or thing of any sort whose normal activities or existence is in any way dangerous, unsightly, unpleasant or of a nature that may diminish or destroy the enjoyment of other property owners in the neighborhood.

(jj) Easement for access to retention area #1 is hereby established between Lot 16 and Lot 17, Block B. This easement may be utilized by the Declarant, the Association and all owners for access to retention area #1 and the adjoining Ocala National Forest. This access easement shall be limited to three feet on each lot for a total of a six-foot easement. Easement for access to Tract "A" is hereby established between Lot 15 and Lot 16, Block G, for the purpose of installing a sewer line and between Lot 14 and Lot 15, Block G, for the purpose of installing a water line. These access easements shall be limited to two and one-half feet on each lot for a total of a five-foot easement.

(kk) Declarant reserves the right to promulgate the rules and regulations to be established by the Declarant and/or the Association on the recreational areas. Declarant and/or the Association reserves the right to limit the number and type of boat or water vehicle which may be used on the lake. Water skiing will be allowed. However, rules and regulations will be established by the Declarant and/or the Association as to time, number of boats allowed and safety rules to be followed. The recreational area may be utilized for boat launching under rules and regulations as established from time to time by Declarant and/or the Association.

(ll) Boat docks and swim platforms may be installed on lakefront properties. However, plans and specification must be submitted to Declarant or approval committee.

(mm) Declarant reserves the right to prescribe the type and location of mailboxes, refuse containers, etc. and street lighting as the development progresses.

ARTICLE IX

Assignment

All rights, powers, privileges and obligations reserved to and of the Declarant hereunder may be assigned by it in whole or in part at any time and from time to time including without limitation an assignment thereof to the Association. A recorded assignment thereof shall entitle all third parties to deal with the assignee as the true and lawful holder, owner and obligee thereof.

ARTICLE X

Insurance and Taxes

Section 1. Insurance. Property and casualty insurance on the common areas and the recreational areas shall be maintained by the Declarant. The Declarant or Association shall also purchase public and general liability insurance and such other insurance as may be necessary on the common areas and the recreational areas, and for the Association's officers and Board of Directors, in the judgement of the Declarant and for the purposes of properly insuring the common areas and the recreational areas. The premiums for all insurance policies purchased by the Declarant and the Association shall be deemed to be general expenses for TRAILS EAST and shall be paid by the owners through the annual assessments against the homesite.

Section 2. Living Unit Taxes. All real estate ad valorem and personal property taxes assessed, together with any assessments made by any governmental or quasi-governmental agency assessed against a homesite and living unit shall be the responsibility of the owner of the homesite and living unit.

Section 3. Common Area Taxes. The Declarant shall be responsible for paying all real property and personal property taxes assessed against the common areas and the recreational areas, and any personal property located thereon owned by the Declarant. Such taxes shall be deemed to be general expenses for TRAILS EAST and shall be paid by the owners through the annual assessment.

ARTICLE XI

Additional Covenants and Restrictions

Except for the Declarant, no owner nor the Association or any other person or entity without the prior written approval of the

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Declarant may impose any additional covenants or restrictions on any part of the properties.

ARTICLE XII

Amendment

Section 1. Amendments. The developer in its sole and absolute discretion shall have the right and power of amendment of this Declaration, and such amendment by the Declarant shall not require the joinder of owners or the Association, or any other party having any interest in the properties. Such right to amend shall include without limitation the right (a) to amend these covenants and restrictions for the purpose of curing any ambiguity in or to any inconsistency between the provisions contained herein; (b) to include in contract or deed or other instrument hereafter made any additional covenants and restrictions applicable to the properties which do not unreasonably lower standards of the covenants and restrictions herein contained; (c) to release any homesite from any part of the covenants and restrictions which have been violated if the Declarant, in its sole judgment, determines such violation to be a minor or insubstantial violation; and (d) to modify or alter the rights of owners to the use of or access to the common areas or recreational areas, including but not limited to, amending the Declaration to require purchase of the common areas or the recreational areas by the homeowners from the Declarant.

Section 2. Amendment to Articles and By-Laws. The Articles of Incorporation and By-Laws of the Association may be amended in the manner so provided in such documents.

Section 3. Notice of Amendment. Recording of an amendment properly made in accordance with the terms of Section 1 and Section 2 of this Article XII shall be deemed notice to all owners of the terms thereof, and all owners shall be bound by its terms.

ARTICLE XIII

Enforceability

Section 1. Parties Who May Seek Enforcement. If any person, firm, or corporation, or other entity shall violate or attempt to violate any of the provisions of the Declaration, By-Laws, Articles of Incorporation, or any rules and regulations, it shall be lawful for the Declarant, (a) to prosecute proceedings for the recovery of damages against those so violating or attempting to violate any such provisions or (b) to maintain a proceeding in any court of competent jurisdiction against those so violating or attempting to violate any such provisions for the purpose of preventing or enjoining all or any such violations or attempted violations, or any other equitable relief. Should the Declarant be required to enforce or defend the provisions hereof, its reasonable attorneys' fees and costs incurred, whether or not judicial proceedings are involved, including the attorneys' fees and costs incurred on appeal of such judicial proceedings, shall be collectible from the party against whom enforcement is sought. In any proceedings by the Declarant against an owner, collection of such attorneys' fees may be enforced by any method in this Declaration providing for the collection of an annual assessment or special assessment including, but not limited to, a foreclosure proceeding against the owner's homesite. The remedies contained in this provision shall be construed as cumulative of all other remedies now or hereafter provided by law. The failure of the Declarant to enforce any covenant or restriction of any obligation, right, power, privilege, authority or reservation herein contained, however long continued, shall in no event be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation thereof occurring prior to or subsequent thereof.

Section 2. Special Assessment. In addition to all other remedies provided in this Declaration, the Declarant or the Association, in its sole and absolute discretion, may levy a special assessment upon an owner for failure of the owner, his family, guests, agents, lessees, licensees, invitees, tenants or employees, to comply with any provision in this Declaration or the Articles, By-Laws or any rules or regulations, including without limitation the rules and regulations of the recreational areas and common areas and the failure to pay to or reimburse Declarant for any sums owed by owner to Declarant under these Declarations, provided that the following procedures are followed:

(a) The Declarant shall notify the owner of the infraction or infractions. Except in the case of a violation for failure to pay to or reimburse Declarant for sums owing by owner to Declarant, for which the special assessment may be levied after fifteen (15) days written notice delivered by Declarant to owner, including in the notice shall be a date, time and place where the owner shall present evidence as to why the special assessment should not be imposed.

(b) The noncompliance shall be presented to the Declarant at the time and place provided in the notice, at which meeting a hearing shall be conducted for purposes of obtaining evidence as to the levying of a special assessment in the event that it is determined that a violation has in fact occurred. A written decision of the Declarant shall be submitted to the owner not later than thirty (30) days after the hearing, after which if Declarant so determines that a violation has occurred, a special assessment may be levied by Declarant.

(c) For each occurrence of a violation, the Declarant may impose a special assessment in any amount not in excess of \$200.00 against the owner of the homesite in the event a violation is found. The assessment shall depend on the severity of the infraction.

(d) A special assessment as provided in this Article shall be due and owing not later than ten (10) days after the written decision as provided in subsection 2(b) above.

(e) Any special assessment levied in accordance with this Article may be enforced by the Declarant in the same manner as the enforcement of a regular annual assessment provided for in Article VI of this Declaration, including placing a lien on the owner's homesite and foreclosing same. The proceeds of such assessment shall be used exclusively for maintenance of improvements.

Section 3. Invalidation. The invalidation of any provisions or provisions of the covenants and restrictions in this Declaration by judgment or court order shall not affect or modify any of the other provisions of said covenants and restrictions which shall remain in full force and effect.

Section 4. Notice. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as member or owner on the record of the Association at the time of such mailing.

Section 5. Restriction on Use of Recreational Facilities. In addition to all other remedies, an owner, his tenants, invitees and guests may be barred from the use of the recreational areas for any failure to comply with these declarations, but such barring shall not suspend the obligations of such owner to pay all outstanding expenses and assessments due hereunder.

ARTICLE XIV

Condemnation and Reconstruction and Repair After Casualty or Condemnation

Section 1. Declarant Agent in Condemnation Settlement. The Declarant shall have the exclusive right to contest any condemnation or eminent domain proceeding which is directed at taking any portion of the common areas or recreational areas, or which touches upon, concerns or affects the use of the common areas or recreational areas; and the Declarant shall represent the owners of homesites and is hereby irrevocably appointed agent for each owner of a homesite in any condemnation proceedings or in negotiations, settlements and agreements

with the condemning authority for acquisition of the common areas or recreational areas, or any part thereof. In the event of a taking or acquisition of part or all of the common areas or recreational areas by a condemning authority, all awards or proceeds of settlement shall be payable to the Declarant and it shall disburse such award or proceeds to the owners of homesites and their mortgages as their interest may appear.

Section 2. Reconstruction or Repair of Common Areas. Any reconstruction or repair of the common areas or recreational areas as a result of casualty or condemnation must be substantially in accordance with the plans and specifications of the original common areas; or if not, then according to plans and specifications approved by the Declarant which shall be of similar kind and quality as the original plans and specifications.

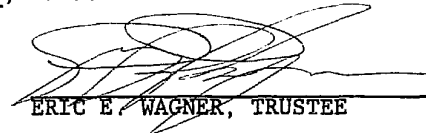
ARTICLE XV

DURATION OF COVENANTS

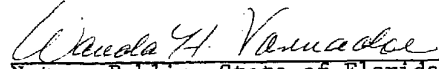
Article VIII, Restrictive Covenants, Section 1, (a) through (l) and (n) through (w) shall be binding on all persons claiming under the Declarant for ten (10) years from the date hereof, at which time the said Covenants shall automatically extend for successive periods of ten (10) years unless by a vote of 3/4 of the owners of lots within the boundaries of the above-described subdivision such Covenants are changed in whole or in part, except, however, Declarant may change/or amend these covenants and deed restrictions in his sole and absolute direction until 95 percent of said lots in the above-described subdivision are sold by Declarant.

The covenants, restrictions and provisions of this Declaration shall run with and bind the land and shall inure to the benefit of the owners, the Declarant, the Association, and their respective legal representatives, heirs, successors and assigns until amended or modified according to the terms hereinabove set forth.

IN WITNESS WHEREOF, the Declarant, ERIC E. WAGNER, TRUSTEE, owner of those certain tracts of land which have been platted as TRAILS EAST has caused this instrument to be executed as of this the 30th day of DECEMBER, 1987.


ERIC E. WAGNER, TRUSTEE

Subscribed before me this 30th day of DECEMBER, 1987.


Notary Public, State of Florida
at Large

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES MAR 27, 1989
BONDED THROUGH MUROSKI-ASHTON, INC