

**CONSOLIDATED, AMENDED, AND RESTATED
DECLARATION OF MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
MAGNOLIA PLANTATION AT BLUEWATER BAY**

**SUBSTANTIAL REWORDING OF DECLARATION
SEE ORIGINAL DECLARATION FOR PRESENT TEXT**

For the purpose of enhancing and protecting the value, attractiveness and desirability of the Parcels, this Community was created by recording various restricted covenants in the Public Records of Okaloosa County, Florida, for the various subdivision areas that comprise Magnolia Plantation at Bluewater Bay, a planned community. The original Master Declaration of Covenants, Conditions, and Restrictions for Magnolia Plantation at Bluewater Bay is recorded on April 7, 1999, at O.R. Book 2204, Page 4656, of the Public Records of Okaloosa County, Florida.

The Community is further described in Plat Books & Pages of the Public Records of Okaloosa County, Florida. Public Records cites for the various Plats comprising the Community are attached as Exhibit "B."

Upon the membership approving this Declaration, all real property shall be held, owned, sold, transferred, conveyed, and occupied subject to the covenants, conditions and restrictions hereinafter set forth, which shall be binding upon Persons having any right, title, or interest in or to the subject real property, and their heirs, successors and assigns and shall constitute covenants running with the land.

No additional land is being added to the Community by this instrument and no land is being removed by this instrument. The covenants, conditions and restrictions contained in this Declaration shall run with the land and be binding upon and inure to the benefit of all present and future Owners. The acquisition of title to a Parcel or any other ownership interest in the Community, or the lease, occupancy, or use of any portion of a Parcel or the Community, constitutes an acceptance and ratification of all provisions of this Declaration and the Governing Documents, as amended from time to time, and an agreement to be bound by their terms. No recorded easements to or from third parties or other binding agreements are intended to be impaired by the recording of this Declaration.

1. DEFINITIONS. The following words and terms used in this Declaration or any of the Governing Documents (unless the context shall clearly indicate otherwise) shall have the following meanings:

1.1 “Act,” or “Homeowners’ Association Act” means Chapter 720, Florida Statutes, as it now exists or as it may be amended from time to time including the definitions therein contained. However, except when specific incorporation of the Act or its procedures are set forth in the Governing Documents, it is the intention of this Declaration that the Community and Association be operated in conformance with the law as it existed when the Community was created to the extent necessary to avoid impairment contract rights or vested rights or the invalidity of any provision of this Declaration or future amendments thereto.

1.2 “Annual Assessment” means the Assessment adopted annually by the Board, through the budget for the payment of Common Expenses, against all Owners on an equal basis.

1.3 “Articles” means the Articles of Incorporation of the Association, a copy of which are attached hereto as Exhibit “C” and made a part hereof, as they may be amended from time to time.

1.4 “Architectural Review Committee” or “ARC” means the Board, or a Committee appointed by the Board, for the purposes set forth in this Declaration as to the Architectural Review Committee.

1.5 “Architectural Guidelines” or “Guidelines” means standards and specifications promulgated by the Board relative to the external appearance of any Lot, Home or other Improvement or other regulated item located on a Parcel, including, but not limited to, the location, size, type, or appearance. Any Guidelines adopted by the Board shall be considered the legal equivalent of Rules and Regulations and shall be recording the Public Records of Okaloosa County Florida for so long as required by the Act.

1.6 “Assessment” means a share of the funds required for the payment of Common Expenses, including reserves, which from time to time are assessed by the Association against an Owner as Annual Assessment, Special Assessment, or a Neighborhood Assessment.

1.7 “Association” shall mean and refer to Magnolia Plantation at Bluewater Bay Association, Inc., a Florida not-for-profit corporation, which is responsible for the operation of the Community.

1.8 “Board” or “Board of Directors” means the representative body which is responsible for the administration of the Association’s affairs.

1.9 “Bylaws” means the Bylaws of the Association, a copy of which are attached hereto as Exhibit “D” and made a part hereof, as they may be amended from time to time.

1.10 “Charge” means any legal or equitable indebtedness or monetary obligation of an Owner to the Association, or other sums owed to or due to the Association from an Owner, or any cost or expense incurred by the Association on behalf of or because of an Owner, other than Assessments for Common Expenses, which the Owner is obligated to pay to the Association. Said

obligations may arise by oral or written contract, by law or in equity, or may be created by these Governing Documents.

1.11 “Committee” means a group of Board members, Owners, or Board members and/or Owners and/or other Persons appointed by the Board to make reports or recommendations to the Board, to take action on behalf of the Board, or to take such actions as the resolution creating the Committee, or the Directors of the Board, may dictate.

1.12 “Common Areas” means all real property including any improvements and fixtures thereon, owned, leased or the use of which has been granted or dedicated to the Association for the common use and enjoyment of its Members.

1.13 “Common Expenses” means the expenses incurred by the Association in the course of performing its duties under the Governing Documents and the law. Common Expenses of the Association include the costs of operating the Association, the costs of administration, maintenance, operation, repair, and replacement of the Common Areas which are the responsibility of the Association, other expenses declared by the Governing Documents to be Common Expenses, and any other valid expenses or debts of the Association which are assessed against the Owners. Common Expenses may also include costs related to areas of common responsibility which can comprise of property maintenance or services provided by the Association to areas other the Common Areas or Lots or Parcels.

1.14 “Community” means the real property that is subject to the Declaration, both Parcels and Common Areas, also known as the “Magnolia Plantation at Bluewater Bay”.

1.15 “Declaration” means this Consolidated, Amended, and Restated Master Declaration of Covenants, Conditions and Restrictions, as the same may be amended from time to time.

1.16 “Family” or “Single Family” shall refer to any one (1) of the following:

1.16.1 One (1) natural person, his or her spouse, if any, and his, her, or their parent, grandparent, adult children, custodial minor children (including foster children), grandchild, or sibling (such persons being related by blood, marriage, adoption, or legal custody), who do and plan to indefinitely and continuously reside together as a single financially and socially interdependent housekeeping unit, with the intention of living within the bonds of family.

1.16.2 Not more than two (2) natural persons not meeting the requirement of Article 1.16.1 above, who do and plan to indefinitely and continuously reside together as a single financially and socially interdependent housekeeping unit, with the intention of living within the bonds of family.

1.16.3 The reference to “natural” herein is intended to distinguish between an individual and a corporation or other artificial entity. A “Family member” is a Person who resides in a Home as part of the Owner’s Family, but is not a title holder.

1.17 “Governing Documents” means and includes this Consolidated, Amended and Restated Declaration, Articles, and Bylaws, the Rules and Regulations, and all recorded exhibits to the Declaration, as amended from time to time.

1.18 “Home” means any Structure located on a Lot, including a single-family dwelling located within the Community and intended for use as a residence by one (1) Family.

1.19 “Improvement” means any component built on, added to, or constructed on a Parcel, whether or not permanently affixed to the land.

1.20 “Invitee” or “Licensee” shall mean a Person or Persons expressly or impliedly allowed entry into the Community for the purpose of conducting business with or providing services to a Parcel or a Parcel’s occupant, or otherwise entering the Community on a temporary basis at the expressed or implied consent of the Owner or occupant, including, but not limited to, contractors, workmen, delivery persons, domestic assistants, and health care assistants.

1.21 “Lease” when used in the context of the renting of Parcels, means the grant by an Owner of a right of use of the Owner’s Parcel for consideration. Leasing shall be construed to include any licensing or other arrangement with a third party where Persons other than the Owner are permitted to occupy the Parcel for the payment of consideration to any party.

1.22 “Lien for Charges” means a lien, which is recorded to secure a Charge.

1.23 “Lot” means one (1) or more of the platted portions of land within the Community, upon each of which a single-family Home has been or is intended to be constructed, as designated by the Plats.

1.24 “Maintenance” shall mean, unless the context of a provision in the Governing Documents requires otherwise, the required cleaning, heavy cleaning, painting where applicable, routine maintenance, ongoing maintenance, preventative maintenance, as well as repair or replacement. Whenever an Owner is obligated by the Governing Documents or law to maintain, repair, or replace portions of the Community, the Board shall have the authority to establish reasonable standards for such maintenance, repair, or replacement.

1.25 “Member” means those Persons who are entitled to membership in the Association as provided in its Articles of Incorporation and Bylaws.

1.26 “Officer” means the executive Officers and Assistant Officers (if any) appointed by the Board as provided in the Bylaws.

1.27 “Owner” means the record Owner of legal title to a Parcel.

1.28 “Parcel” means the Lot, the Home, and all Improvements thereon and all appurtenances thereto,

1.29 “Person” means any individual or representative of an entity, including Owners, Family Members, Tenants, Guests, and Invitees. Whenever the word “Person” is used to require, prohibit, or prescribe certain conduct, the Owner of the Parcel with which such Person is affiliated shall be responsible for ensuring such Person’s compliance with the Governing Documents.

1.30 “Plats” means all legal descriptions, site plans, surveys, and graphic depictions of record describing the Property. The Plats or portions thereof are cited in Exhibit “B” to this Declaration. All Plats of record are incorporated by reference whether or not attached or separately described. The Plats may not reflect the actual configuration or use of the Property, as deviations from original as-built conditions or uses may have been made over time.

1.31 “Policies and Procedures” means the policies of the Board adopted in writing from time to time, including those documented in minutes of the Board or correspondence issued under the authority of the Board. The Policies and Procedures which prescribe or proscribe conduct or regulate the use of Parcels or Common Areas in the Community shall be considered part of the Rules and Regulations, and thus part of the Governing Documents.

1.32 “Rules and Regulations” those rules and regulations promulgated by the Board, concerning the transfer, use, appearance, maintenance, and occupancy of the Parcels and Common Areas, and the administration and operation of the Association, subject to any limitations contained in this Declaration. The Guidelines and Policies and Procedures which prescribe or proscribe conduct or regulate the use of Parcels or Common Areas in the Community shall be considered part of the Governing Documents.

1.33 “Special Assessment” means an Assessment levied by the Board for Common Expenses and not funded by the Annual Assessment.

1.34 “Structure” means any Improvement constructed on a Lot which is affixed to the land and is of a nature that it would normally be intended to remain permanently affixed to the land.

1.35 “Tenant” or “Lessee” means a Person occupying a Parcel, other than the Owner where said occupancy by the non-Owner involves consideration. This includes, but is not limited to, the payment of money, the exchange of goods or services, or the provision of direct economic or indirect economic benefit, including tax benefits and the furtherance of business interests, including, but not limited to, use of a Parcel as an employee or customer rewards or incentive, or as a prize for a charity auction or similar event. The term “Tenant” shall be used interchangeably with “Lessee.”

1.36 “Voting Interests” means the arrangement established in the Governing Documents by which the Owners of each Parcel collectively are entitled to one (1) vote in the Association matters.

2. MEMBERSHIP AND VOTING RIGHTS

2.1 Member. Every Owner of a Parcel subject to assessment shall be a Member of the Association. Membership is appurtenant to and not divisible from ownership of a Parcel that is subject to assessment. Owners agree to maintain such membership in good standing as long as they own such property.

2.2 Transfer. Transfer of ownership, whether voluntary or by operation of law, shall terminate membership in the Association and said membership is then vested in the transferee.

2.3 Multiple Owners. When more than one Person or entity shall at any time be the Owner of a Parcel subject to a membership interest, the vote attributed to such Parcel shall be exercised as provided in the Bylaws.

3. ASSESSMENTS

3.1 Common Expense. The costs and expenses incurred by the Association with regard to the ownership, operation, maintenance and repair of the Common Areas, Maintenance of the Parcels as provided in this Declaration, and the administration of affairs of the Association shall constitute Common Expenses. Other expenses properly and reasonably incurred by the Association in performing and carrying out its duties and obligations as specified in this Declaration shall constitute Common Expenses.

3.2 Allocation of Assessments. Except for any maintenance surcharge which may be imposed on any Parcel pursuant to this Declaration, allocation of assessments shall be on an equal basis. Charges related to expenses incurred on behalf of a specific Owner or Lot may be allocated solely to said Owner or Lot.

3.3 Purpose of Assessment. There is hereby imposed upon each Parcel and its Owner, the affirmative covenant and obligation by acceptance of a deed or title to a Parcel to pay to the Association; and upon the Association the obligation to assess, collect and expend for the Common Expenses as listed but not necessarily limited to:

3.3.1 Charges levied for utility services to the Common Areas, whether supplied by a private or public firm, including without limitation, charges for water, gas, electricity, telephone, sewer and any other type of utility or service charge for Common Areas. Bulk cable television may be provided by the Association, as a Common Expense, if approved by a majority of the Voting Interests present (in person or by proxy) and voting at a duly noticed meeting of the Association at which a quorum is present.

3.3.2 The premiums on any policy or policies of insurance required herein, together with the costs of such other policies of insurance as the Board shall determine to be in the best interest of the Association.

3.3.3 The cost to the Association of purchasing adequate fidelity insurance or bonds to protect against dishonest acts on the part of Officers, Directors, Trustees, Agents and Employees of the Association and other Persons who operate or are responsible for operating the Association.

3.3.4 Expenses necessarily incurred in maintaining, preserving, repairing, and replacing the Common Areas and other facilities within the jurisdiction of the Association.

3.3.5 Sums necessary to repair, replace, construct, or reconstruct buildings or improvements located in the Common Areas to the extent insurance proceeds are insufficient to pay the costs thereof.

3.3.6 The costs of administration for the Association, including any secretaries, bookkeepers, and other employees necessary to carry out the obligations and covenants of the Association under this Declaration, the Articles, or Bylaws. In addition, the Association may retain a manager or management company to assist in the operation of the Association and to perform or assist in the performance of certain obligations of the Association hereunder. The fees or costs of any management company so retained are a Common Expense.

3.3.7 The costs to the Association to indemnify its Officers and members of the Board for costs and expenses incurred in pursuance of their duties, obligations, and functions hereunder.

3.3.8 The costs of establishing an adequate reserve fund for replacement and/or capital refurbishment of the Common Areas in amounts determined proper and sufficient by the Board. Each Owner understands that no Owner shall have any separate or divisible interest, claim, or right to any such funds comprised of the same.

3.3.9 Special assessments that may be levied to defray Common Expenses for which insufficient funds exist or are expected to be produced under the budget.

3.3.10 Expenses properly incurred by the Association, including, but not limited to, expenses of the operation, maintenance, repair, replacement, protection of the Common Area, costs of carrying out the powers and duties of the Association as defined by the Governing Documents, and any other expense, whether or not included in the foregoing, designated as Common Expense by the Articles, this Declaration, or the Bylaws.

3.3.11 Cost related to security services, if any.

3.3.12 Other costs and expenses determined by the Board to be reasonable and necessary in carrying out and accomplishing the purposes, duties and obligations of the Association that are not inconsistent with this Declaration, the Articles or Bylaws.

3.4 Budget. The Board shall prepare and adopt an estimated annual budget, as required by the Bylaws of the Association, which shall reflect the estimated Common Expenses for the next succeeding calendar year.

3.5 Amendment of Budget. Adjustments may be made by the Board in assessments from time to time to allow for any changes for Common Expenses.

3.6 Time of Payment. Assessments shall be payable by Owners to the Association in advance as set forth in the Bylaws and as determined by the Board.

3.7 Special Assessments. In addition to the regular assessments the Board may levy a special assessment for defraying in whole or in part Common Expenses not met or expected to be met by regular assessments upon the approval of the Board of Directors at a meeting where notice is provided to the Members at least fourteen (14) days in advance of the Board meeting.

3.8 Lien. Assessments for Common Expenses, including Regular Assessments, Special Assessments, and Charges and installments thereof, with interest thereon and costs and expenses of collection, including reasonable attorneys' fees and costs incurred in attempting to collect said Assessments or Charges before suit or after the filing of suit, at the trial level, appellate level or otherwise, are hereby declared to be a continuing lien upon the Lot or Unit against which such Assessments or Charges are made. Each Assessment or Charge against a Lot or Unit, together with interest thereon at the highest rate allowed by law, late fees, and costs and expenses of collection thereof, including attorneys' fees, shall be the personal obligation of the Person, Persons or entity owning the Lot or Unit assessed or charged and shall be the joint and several liability of all Owners of the Lot or Unit. Except as provided below, any Person or entity which acquires title to a Lot or Unit, including a purchaser at a judicial sale, shall be jointly and severally liable with their predecessor in title for all unpaid Assessments and Charges against the predecessor for his/her share of the Charges and Assessments, including attorneys' fees and other costs and expenses of collection incurred by the Association up to the time of the transfer, without prejudice to any right the transferee may have to recover from the transferor the amounts paid by the transferee. The lien shall set forth the assessments due to the Association as of the date the lien is signed and shall be acknowledged by an Officer or agent of the Association. The lien shall secure additional assessments that become due, as well as interest, late fees, attorney fees, and other costs and expenses of collection that are due and become due after recordation of the lien. Upon recordation in the Public Records of Okaloosa County, Florida, the lien shall relate back to the date of recording the original Declaration, except as to the first mortgages of record. As to first mortgages of record, the Association's lien is only effective from and after recording of a claim of lien against the Lot

or Unit. Upon full payment of all sums secured by the lien and costs and fees accrued, the party making payment shall be entitled to a recordable satisfaction of lien. If any first mortgagee or other Person, Persons or entity obtains title to a Lot or Unit as a result of a foreclosure of a first mortgage or a deed is given in lieu of foreclosure of a first mortgage of record, such acquirer of title, shall be liable for the share of Assessments or Charges pertaining to such Lot or Unit or chargeable to the former Owner, and which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu of foreclosure of said first mortgage of record as provided in the Act.

3.9 Remedies for Delinquency. In the event any Owner fails to pay assessments, or any installment thereof, charged to the Parcel ten days after the same becomes due an administrative late charge as provided by law or \$25.00 or 5 percent of the installment, whichever is more, shall become due along with interest at the maximum rate permitted by law, and the Association, through its Board, shall have, but not be limited to, the following remedies.

3.9.1 To accelerate the entire amount of any assessments for the remainder of the calendar year, notwithstanding any provisions for the payment thereof in installments.

3.9.2 To advance on behalf of said Owner funds to accomplish the needs of the Association. The amount or amounts of money so advanced, including attorneys' fees and expenses which might have been reasonably incurred because of or in connection with such advance, including costs and expenses of the Association if it must borrow to pay expenses because of said Owner, together with interest at the highest rate allowable by law, may thereupon be collected or enforced by the Association and such advance or loan by the Association shall not waive the default.

3.9.3 To file an action in equity to foreclose its lien at any time after the effective date thereof. The lien may be foreclosed by an action in the name of the Association in a like manner as the foreclosure of a mortgage on real property or as otherwise provided by law.

3.9.4 To file an action at law to collect said assessments, plus interest at the highest rate allowable by law plus court costs, without waiving any lien rights and/or rights of foreclosure by the Association.

3.9.5 The Association may apply to a court of competent jurisdiction, either in connection with the institution of a foreclosure suit, a personal suit, or otherwise to have rental proceeds of a Parcel in default paid directly to the Association, the court registry, or a receiver, as the court may direct.

3.9.6 Payments received after the due date established by the Board shall be applied first to interest, late fees, costs, and attorney fees and then to the principal owed regardless of any restrictive endorsement included with the payment.

3.10 Capital Contribution. Upon each sale of a Parcel, the purchaser thereof shall owe the Association 0.25% of the Parcel's purchase price as a capital contribution to the Association. This capital contribution shall not be considered a prepayment of assessments, and shall instead be an additional obligation owed to the Association. Said capital contribution shall be collected and remitted to the Association as part of the closing of each sale. The capital contribution is a Charge, and the Association shall have a lien to secure said capital contribution Charge, which shall be collectible in the same manner as delinquent assessments.

4. EASEMENTS, PROPERTY RIGHTS

4.1 Acquisition or Transfer of Real Property. The Association shall have power to acquire real property and transfer real property owned by the Association or otherwise convey real property with the approval of at least two-thirds (2/3) of the Voting Interests present (in person or by proxy) and voting at an Association meeting at which a quorum has been attained. No Owner approval is required to acquire, purchase, or mortgage a Parcel foreclosure of a lien or deed in lieu of foreclosure, nor to dispose of such Parcel. No Owner approval is required for the acquisition or disposition of real property necessary, as determined by the Board, to address legal description or survey errors, or boundary or ownership disputes or uncertainties. Leasing of Common Areas may be approved by the Board, as well as the lease fees, use fees, and other fees. The Board has the authority to acquire personal property and to dispose of same, without need for membership approval.

4.2 The right of the Association to regulate parking and traffic on the roads or streets within the Community.

4.3 The Association shall have an easement over, upon, and under each Parcel to perform all obligations and exercise all rights expressly granted to it by applicable law or the Declaration.

4.4 Easements for Lake and Pond Maintenance and Flood Water. The Association has a nonexclusive right and easement, but not the obligation, to enter upon the lakes, ponds, streams, and wetlands located within the Community to (a) install, keep, maintain, and replace pumps in order to provide water for the irrigation; (b) construct, maintain, and repair any bulkhead, wall, dam, or other structure retaining water; and (c) remove trash and other debris therefrom and fulfill their maintenance responsibilities as provided in this Declaration. The Association, and its assigns and designees shall have an access easement over and across any of the Community abutting or containing any portion of any of the lakes, ponds, streams, or wetlands to the extent reasonably necessary to exercise their rights under this section.

The Association, and its assigns and designees, have a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Parcels (but not the dwellings thereon) adjacent to or within one hundred feet of lake, beds, ponds, streams and wetlands within the Community, in order to (a) temporarily flood and back water upon and maintain water over

such portions of the Community; (b) fill drain, dredge, deepen, clean, fertilized, dye, and generally maintain the lakes, ponds, streams, and wetlands within the Community; (c) maintain and landscape the slopes and banks pertaining to such lakes, ponds, streams, and wetlands; and (d) enter upon and across such portions of the Community for the purpose of exercising their rights under this section. All Persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the international exercise of such easements. Nothing shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to hurricanes, heavy rainfall, or other natural occurrences.

The Board of Directors shall have the power to make reasonable rules and regulations regarding use of all lakes located within the Community.

4.5 There shall be no use of the Lots or Common Areas which impedes on third party easement rights benefitting abutting golf courses.

5. USE RESTRICTIONS

All Owners agree to abide by this Declaration, the Bylaws and Rules and Regulations of the Association as they may be amended from time to time.

5.1 Garage. No garage shall be converted into a living or habitable area. No construction or conversion shall change the interior or exterior of any garage to interfere with the use of it as a storage place for automobiles.

5.2 Animals. No livestock or poultry shall be raised, bred, or kept on any Parcel in any Home or on the Common Area.

In the sole opinion of the Board should any pet become a nuisance or source of annoyance to any other Owners such animals shall be permanently removed from the Parcel, Lot, and Community upon three-days' written notice. Pet owners shall not allow any pet to use the Common Areas except when on a handheld leash accompanied by its owner and then only so long as the pet does not make a mess or otherwise disturb the Common Areas.

Pet owners shall not allow any pet to enter upon any other Parcel, leave any droppings, or otherwise disturb the Common Areas. Pet owners must have with them when they are walking their pet when not on their own Parcel a means to remove droppings and dispose of them in a sanitary manner, and must in fact do so.

5.3 Vehicles. Automobiles and any other vehicles must be operational. No vehicle repairs (except minor emergencies) shall be made in any portion of the Community. Travel trailers, motor homes, and other recreational vehicles may be placed upon a Parcel for loading or only. All vehicles must fully fit within the boundaries of the Parcel's driveway.

5.4 Signs. "For sale" signs, "for rent" signs or other window displays, signs, or advertising are not permitted on any part of the Common Areas or in any Home or on any Parcel

such that they are visible from the Common Areas, including signs in or on vehicles parked on a Lot, except as permitted by the Rules and Regulations. Security signs are permissible, as provided in the Act.

5.5 Television and Other Outdoor Antennae. No wires, masts, towers, antennae, aerial, weathervanes, anemometers, or exposed wiring for any purpose or other equipment or structures may be erected, constructed, or maintained on the exterior of any Parcel nor in any of the Common Areas except with the prior written consent of the Board, and except as follows:

No television, radio, satellite, or other antenna or satellite system may be installed on the Common Areas by any Person other than the Association, except as provided herein. Certain television, satellite, or other antenna systems may be erected or installed on Parcels subject to compliance with the following requirements:

Permitted antennas include (collectively hereinafter referred to as “antennas”):

- Direct broadcast satellite dishes (DBS) that are less than one (1) meter in diameter.
- Multi-channel, multi-point distribution service devices (MMDS) that are less than one (1) meter in diameter or diagonal measurement. Such devices may be mounted on “masts” to reach the height needed to establish line of sight contact with the transmitter provided no mast may be higher than twelve (12) feet above the roof line of a residence without prior written approval of the Association.
- Television broadcast antennas for local stations, which may be any reasonable size, which may be secured to a mast located no higher than twelve feet above the roof line. Any mast located higher than twelve feet above the roof line must be approved in writing by the Association.

Location of Antennas. To the extent feasible, all antennas must be placed in locations that are not visible from any street and in a location to minimize annoyance or inconvenience to other Residents of the Community if this placement would still permit reception of an acceptable quality signal.

Color and Screening of Antennas. All antennas shall be painted to blend into the background against which it is mounted for so long as the paint will not interfere with an acceptable quality signal. If the antenna is not mounted on a building, it must be made the color of the exterior walls of the Home on that Lot. All antennas shall be screened from view from neighboring properties, and pedestrian and vehicular access areas, with landscaping plants commonly used in or about the Community at a height of at least forty-eight (48) inches. Taller antennas shall be screened to their

full height if reasonably practicable and if the screening would not impair the reception of an acceptable quality signal.

Safety Requirements. To safeguard the safety of the Owners, occupants of the residence in which the antenna is located, neighboring property Owners, and other Owners and members in the Community, it shall be the obligation of the Owner to comply with all applicable local, state and federal safety requirements, including, but not limited to, obtaining a permit for the installation of the antenna, if any, hiring licensed contractors with sufficient expertise and adequate insurance to protect their work, installing the antennas away from power lines and other potentially dangerous areas, installing and using the antenna in accordance with safety recommendations and requirements of the antenna manufacturer, and in accordance with the customs and standards for the antenna industry, including compliance with electrical code requirements to properly ground the antenna, and installation requirements to properly secure the antenna. Antennas shall be properly secured and installed so as to cause no damage to the building, such as compromise of its water-proof integrity. An Owner shall indemnify and hold harmless the Association, and all other Owners, for any damage that an antenna causes to the property or to Persons or other property.

5.6 Personal Property. No barbecue grills or other outdoor cooking equipment, patio or other furniture, bicycles, toys, or other personal property may be kept or stored outside where visible from the street at the front of the home unless approved by the ARC.

5.7 Wells. Wells may be installed on Parcels for irrigation purposes.

5.8 Dangerous Materials. No Owner shall store, keep, or dispose of any flammable, combustible, explosive, hazardous or toxic fluids, chemicals, or substances except those sold and required for normal household use.

5.9 Window Treatments. No Owner shall install or maintain aluminum foil or other reflective material on any window or glass door except as approved by the Board for energy conservation purposes.

5.10 Single-Family Use & Occupancy Limitations. Each Parcel may be used for single-family residential purposes only. Single-family shall mean one (1) natural Person, a group of two (2) or more natural Persons who customarily reside together as a Single-Family housekeeping unit, each of whom is related to each of the others by blood, marriage, or adoption, or not more than two (2) Persons not so related, who customarily reside together as a single housekeeping unit. The occupancy limits of Homes shall be limited to the maximum number of Persons allowed by applicable ordinances, as amended from time to time. No Person may occupy or otherwise be present within a Home, or otherwise present within the Community as a Family member, occupant, Tenant, Guest, or Invitee if such Person:

5.10.1 Has been convicted of, pled no contest to, or has been released from incarceration, probation or community control for a felony involving sexual battery, sexual abuse, or lewd and lascivious behavior regardless of when that conviction, plea or release occurred.

5.10.2 Has been labeled a sexual offender or a sexual predator by any governmental or quasi-governmental agency regardless of when that label occurred.

5.11 Commercial Activity. No business or commercial activity of any kind shall be conducted on or from any Lot nor in or from any residence except as provided herein. Nor may the address or location of the residence or Association's name be publicly advertised as the location of any business or commercial activity. This restriction shall not be construed to prohibit any Owner from maintaining a personal or professional library, from keeping personal business or professional records in his residence, or from handling personal, business or professional communication and written correspondence in and from his residence. Parcels may not be used for commercial or business purposes, including, without limitation, caring for children or adults or any use that requires an occupational license. Occupants may use Parcels for "home office" or "telecommuting" purposes, if such uses do not involve customers or clients coming onto the property, the posting of any signage in the Community, the storage of equipment, products, or materials in the Community. Such uses are expressly declared customarily incident to residential use.

5.12 Structural Changes. No structural additions or alterations may be made to any improvements on the Lot without the approval of the ARC or Board, other than erection or removal of non-support carrying interior partitions wholly within the home and other than the interior work done in a Home, which is not visible from the exterior.

5.13 Nuisance. No portion of the Community shall be used for any immoral, improper or unlawful purpose and no use or behavior shall be allowed which will create a public or private nuisance, nor which shall unreasonably interfere with the quiet possession or enjoyment of the Community, nor which becomes a source of annoyance, which will increase insurance rates, or which will negatively affect the value of Parcels. All property shall be kept in a neat and orderly manner. The Parcels shall be used in accordance with all federal, state, and local laws and ordinances.

5.14 Subdivision. No Owner shall divide nor subdivide a Parcel for purposes of sale or lease and no portion less than all of any Parcel, nor any easement or other interest granted herein, shall be conveyed or transferred by an Owner without the approval of the Board. This provision shall not prohibit corrective deeds, deeds to resolve boundary line disputes and other similar corrective documents. Combining of adjoining Parcels is permissible but the Owners of the divided parcel shall remain responsible for the full assessment applicable to each Lot.

5.15 Sheds. No outbuilding, tent, shack, garage, mobile home, trailer, shed, RV or temporary building of any kind may be used as a residence.

5.16 Fences. No fences are permitted without ARC approval.

5.17 Enclosures. No Owner or occupant may enclose an entranceway, patio, porch, or lanai except with the prior written consent of the ARC.

5.18 Compliance with Law. No use may be made of any Parcel that violates any federal, state or local laws, zoning, ordinances or regulations.

5.19 No Owners or occupant may cause or allow any obstruction of a road or other common ways of ingress or egress within the Common Areas, nor shall anything be allowed to remain in Common Areas or on the Parcels which would be unsightly or hazardous.

5.20 No Owner or occupant may allow any rubbish, refuse, garbage or trash to accumulate in places other than the receptacles (garbage cans) provided therefore. Each Lot, Parcel and the Common Areas shall be kept in a clean and sanitary condition.

5.21 No lakes, ponds, swales, canals or ditches may be dug on any Parcel without the written consent of the ARC and the Board.

5.22 Members and other residents shall not engage in any abusive, pejorative, or harassing behavior, either verbal or physical, or any form of intimidation or aggression directed at other members, Guests, occupants, Invitees, or directed at management, its agents, its employees, or vendors.

5.23 Owners, their Family, Invitees, and Tenants shall abide by Rules and Regulations promulgated from time to time by the Board or committee established by the Board provided, however, that copies of such regulations are available to each Member prior to the time said regulations become effective.

5.24 No Owner shall install nor allow to be installed any window mounted or through the wall mounted air conditioning unit.

5.25 Garbage or trash containers, oil tanks or bottle gas tanks must be stored and used in the manner prescribed by the Rules and Regulations.

5.26 In the event the Association is required to seek enforcement of any provision of the Declaration, Articles, Bylaws or the Rules and Regulations, then and in that event the offending Owner (for himself or his Family, Guests, Invitees or Tenants) shall be liable to the Association for costs incurred in the enforcement action, including reasonable attorneys' fees and costs, whether incurred before the filing of suit, after filing, and in connection with trial or appellate proceeding or otherwise.

6. MAINTENANCE, REPAIR AND REPLACEMENT

6.1 Maintenance of Common Area and Parcels by the Association. Maintenance of the Common Area shall be the responsibility of the Association. Notwithstanding the above, the Association may contract with one or more independent contractors for the performance of any or all of such maintenance responsibilities.

6.2 Permits, Licenses and Easements. Subject to the provisions of Article 4, the Association shall have the right to grant permits, licenses and easements over, upon, across, under and through the Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the Property, as so determined by the Board.

6.3 Maintenance of Lots and Parcels by Owners. Subject to the duties and obligations of the Association described herein, every Owner must keep and maintain his Lot and Parcel, including, but not limited to, the Home and other improvements thereon, its improvements and appurtenances, at his expense, in good order, condition and repair, and must perform promptly maintenance and repair work on his Lot and Home. In this regard, each Owner shall be responsible for the maintenance, repair and repainting and shall keep same in a neat and orderly fashion. Any Owner who desires to have additional services to those provided by the Association may contract directly for such additional services.

6.4 Prohibition. Each Owner is prohibited from improving, modifying, or maintaining any Common Area or from performing any maintenance duties of the Association without the prior written consent of the Board.

6.5 Owner Liability. Should any Owner do any of the following:

6.5.1 Fail to perform the responsibilities as set forth in this Article or,

6.5.2 Cause any damage to any improvement which the Association has the responsibility to maintain, repair and/or replace; or

6.5.3 Undertake unauthorized improvements or modifications to a Lot, Parcel, Home or to the Common Area; then

Except in an emergency, when no notice is required, the Association upon reasonable prior written notice to the Owner, shall have the right, through its agents and employees, to enter upon said Lot, Parcel or Home and cause the required repairs or maintenance to be performed, or as the case may be, remove unauthorized improvements or modifications. The cost thereof shall be added to and become a part of the assessment to which the Owner is subject, and shall be due and payable within ten (10) days after rendition of a bill therefore by the Association. The costs incident to said repair, maintenance or removal shall be the personal obligation of the Owner to the Association and become a lien against the subject Lot, Parcel or Home with the same

force and effect of the lien that would be created by the said Owner's failure to pay the regular or special assessments hereunder when due.

6.6 Each Owner shall be responsible for and pay the cost of maintaining, repairing, and replacing everything within the confines of the Home and on the Parcel that is not to be maintained by the Association.

6.7 In the event an Owner fails to maintain the Parcel and the improvements situated thereon, in a manner reasonably satisfactory to the Board or any committee established by the Board, upon direction of the Board the Association shall have the right through its agents and employees, to enter upon said Parcel to maintain and restore the improvements erected thereon. The cost of any maintenance supplied by the Association pursuant to this Article shall be added to and become part of the assessment to which such Parcel is subject.

7. MATERIAL ALTERATIONS OR SUBSTANTIAL ADDITIONS. There shall be no material alterations or substantial additions to the Common Areas or Association real property by the Association, except as authorized by the Board. Provided, however, that if any such material alterations or substantial additions require or obligate the expenditure of Association funds of more than ten percent (10%) of the Association's budget for the fiscal year in which the work is authorized, including reserves, the Board shall obtain approval of at least majority of Voting Interests present (in person or by proxy) and voting at an Association meeting at which a quorum has been attained, or by written agreement of a majority of the entire Voting Interests. Necessary maintenance of the Common Areas, or Association Property regardless of the level of expenditure, is the responsibility of the Board.

8. ASSOCIATION INSURANCE. The following provisions shall govern insurance covering the Association:

8.1 Insurance policies covering the Common Areas shall be purchased by the Association and be issued by an insurance company authorized to do business in Florida.

8.2 The named insured shall be the Association itself and as agent for Owners without naming them and as agent for their mortgagees without naming them.

8.3 One copy of each insurance policy, or a certificate evidencing such policy, and endorsements thereto, shall be furnished by the Association to each first mortgagee if requested in writing.

8.4 The above paragraph notwithstanding, each member releases and indemnifies the Association, its members, employees, and agents and shall hold them harmless for injuries or damages to Persons or property because of the member's neglect, recklessness, or intentional acts.

8.5 The Association shall maintain insurance covering the following:

8.5.1 Loss or damage by fire and other hazards covered by a standard extended coverage endorsement including wind; and

8.5.2 Such other risks as from time to time are customarily covered with respect to property similar in construction, location, and use, including, but not limited to, vandalism and malicious mischief.

8.5.3 Comprehensive general public liability including host liquor liability and hired, owned and non-owned automobile liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the Association property, adjoining driveways and walkways, or any work, matters or things related to the Association property or this Declaration and its exhibits, with such coverage as shall be required by the Board, but with combined single limit liability of not less than \$1,000,000 for each accident or occurrence, combined single limit and with a cross liability endorsement to cover liabilities of the Owners as a group to any Owner, and vice versa.

8.5.4 The Association shall obtain and maintain adequate insurance or fidelity bonding of Persons who control or disburse funds of the Association. The fidelity bond or insurance policy shall cover the maximum funds that will be in the custody of the Association or its managing agent at any one time. As used in this Article, the term “Persons who control or disburse funds of the Association” includes, but is not limited to, individuals authorized to sign checks, the president, secretary, and treasurer of the Association.

8.5.6 Workers Compensation coverage if required by law.

8.5.6 Umbrella liability in an amount of at least \$1,000,000.

8.5.7 Directors and Officers liability coverage as deemed appropriate by the Board.

8.5.8 Flood insurance if deemed appropriate by the Board.

8.5.9 Other insurance as the Board shall determine from time to time to be desirable.

8.6 When appropriate and obtainable, each of the foregoing policies shall waive the insurer’s right to:

8.6.1 subrogation against the Association and against the Owners individually and as a group,

8.6.2 pay only a fraction of any loss in the event of co-insurance or if other insurance carriers have issued coverage upon the same risk,

8.6.3 avoid liability for a loss that is caused by an act of the Board, or by a member of the Board or by one or more Owners.

8.7 Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense, except that the amount of increase in the premium occasioned by misuse, occupancy, or abandonment of any one or more Parcels or their appurtenances or of the common areas by particular Owners shall be assessed against and paid by such Owners.

8.8 Insurance policies obtained by the Association shall be for the benefit of the Association, the Owners, and their mortgagees, as their interests may appear. Proceeds because of damage to the Common Areas shall be held in undivided shares for each Owner, such shares being the same as the undivided shares in the common areas appurtenant to each Parcel.

8.9 The Association is irrevocably appointed agent for each Owner and for each Owner of a mortgage or other lien upon a Parcel and for each Owner of any other interest in the Association property to adjust claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

8.10 The insurance purchased by the Association shall not cover claims against an Owner due to accidents occurring within or upon their Lot or Home nor casualty or theft loss to an Owner's property. It shall be the obligation of the individual Owner if such Owner so desires to purchase and pay for insurance as to such and other risks.

9. OWNER INSURANCE. The following provisions shall govern insurance covering the Owners:

9.1 Liability Insurance. Each Parcel Owner shall be responsible for purchasing and maintaining such policies of liability for accident or injury occurring on or about his Parcel, as he may deem appropriate.

9.2 Casualty Insurance. Each Owner shall be responsible for purchasing and maintaining policies of fire and other hazard coverage insurance on his Home and all other insurable improvements situated upon his Parcel in an amount equal to the full replacement cost thereof. The Association may periodically require proof of such insurance.

10. RECONSTRUCTION AND REPAIR OF COMMON AREA AFTER FIRE OR OTHER CASUALTY. In the event of damage to or destruction of improvements on the Common Area because of fire or other casualty, the Board shall arrange for the prompt repair and restoration of the improvements.

10.1 Any reconstruction or repair must be approved by the Board, substantially in accordance with the plans and specifications for the original improvements; or if not feasible or advising in the opinion of the Board, then in accordance with plans and specifications approved by the Board.

10.2 If the proceeds from insurance, including the deductible, are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against the Parcels in sufficient amounts to provide funds for the payment of such costs.

11. COMPLIANCE AND DEFAULT; REMEDIES.

11.1 Obligations of Members; Remedies at Law or In Equity; Levy of Fines and Suspension of Use Rights. Each Member and the Member's Family members, Tenants, guests, and Invitees, are governed by, and must comply with all laws, and the Governing Documents. Actions at law or in equity, or both, to redress alleged failure or refusal to comply with the law or the Governing Documents may be brought by the Association or by any Members against:

11.1.1 The Association. The Association may, but shall not be required to, seek enforcement of the Governing Documents. Without limiting the intended generality of the foregoing sentence, the Board shall have the discretion, without further liability to the Association, to decline to take action in cases as to which legal counsel has advised of a reasonable probability of failure on the merits, or in situations which involve disputes, complaints, or allegations of violation of the Governing Documents involving the interest of the Owners of two (2) or more different Lots, including, but not limited to, noise complaints, nuisance allegations, and the like;

11.1.2 A Member;

11.1.3 Any Director or Officer who willfully and knowingly fails to comply with the provisions of law or the Governing Documents; and

11.1.4 Anyone who occupies a Parcel as an Owner, Family member, Tenant, occupant, or guest. Owners shall be jointly and severally liable for violations of the Governing Documents and damage to the Common Areas by their Family members, Tenants, guests, Invitees, and occupants.

The prevailing party in any such litigation is entitled to recover reasonable attorneys' fees and costs at all levels including fees spent in the determination of entitlement to and amount of attorneys' fees, and in any appeal or supplementary or ancillary proceeding. This Article does not deprive any person of any other available right or remedy. Disputes subject to presuit mediation under the Act shall be subject to that procedure. In any dispute subject to presuit mediation where emergency relief is required, a motion for temporary injunctive relief may be filed with a court without first complying with the presuit mediation requirements of the Act.

11.2 Fining and Suspension. Pursuant to the Act, the Board may, but is not obligated to, impose reasonable fines against and suspend Common Area use rights of any Member or any

Members' Tenant, guest, or Invitee for the failure of the Owner or its occupant, Licensee or Invitee to comply with any provision of the Governing Documents. A fine may not exceed Five Hundred Dollars (\$500.00) per violation. A fine may be levied for each day of a continuing violation, with a single notice and opportunity for hearing, except that the fine may not exceed Five Thousand Dollars (\$5,000.00) in the aggregate. Fines of One Thousand Dollars (\$1,000.00) or more may become a lien against the Lot. No fine shall be imposed by the Board without at least fourteen (14) days' notice to the person sought to be fined or suspended and an opportunity for a hearing before a Committee of at least three members appointed by the Board who are not Officers, Directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an Officer, Director, or employee. If the Committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed. The role of the Committee is limited to determining whether to confirm or reject the fine or suspension levied by the Board. If the Board imposes a fine or suspension, the Association must provide written notice of such fine or suspension by mail or hand delivery to the Owner and, if applicable, to any Tenant, Licensee, or Invitee of the Owner. The Board may establish additional rules or procedures as it deems appropriate to govern the fining and suspension process and ensure compliance with the Act. If, at any time, the Act is amended to require a different procedure prior to the imposition of a fine or suspension, the Association shall operate as required by the Act.

11.3 Availability of Remedies. Each Member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other legal remedies. It is the intent of all Members to give the Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the majority's right to enjoy the Community free from nuisances or unreasonable annoyance.

11.4 Remedies Cumulative. All rights, remedies and privileges granted to the Association or Owners under any terms, provisions, covenants, or conditions of the Governing Documents shall be deemed to be cumulative, and the exercise of any one (1) or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party from exercising such other additional rights, remedies, or privileges as may be granted by the Governing Documents, or at law or in equity. It shall not be presumed that money damages shall be an adequate remedy for violations of the Governing Documents.

12. GUEST OCCUPANCY. Use or visitation without consideration (payment) distinguishes a Guest usage from a tenancy. All Guests must comply with the Governing Documents at all times, and the Owner shall be jointly liable for the actions of his or her Guest(s).

12.1 Additional Board Authority. The Board may promulgate such rules, policies, and procedures as are necessary to implement this Article. The Board may, at a duly noticed meeting,

temporarily suspend or permanently ban a Guest from entering the Community if the Board finds that such Person has engaged in a serious violation of the Governing Documents or applicable law within the Community, or has engaged in systematic violations of the Governing Documents or applicable law within the Community. Prior to the imposition of such suspension or ban, the Owner of a Parcel shall be given at least fourteen (14) days' notice of an opportunity before a hearing before the Board to show cause why the suspension or ban should not be imposed. The decision of the Board shall be final and shall not be subject to any requirement for a hearing before any type of Committee.

13. LEASING. All leases must be in writing. Should an Owner wish to lease a Parcel, the Owner shall furnish the Association's property manager with a copy of the proposed lease, the name of the proposed Tenant, the names of all proposed occupants other than the Tenant (if any), and such other information as the Association may reasonably require. No individual rooms may be rented. "Rent-sharing" and subleasing are prohibited. No Parcel shall be leased by any owner who is more than thirty (30) days delinquent in any monetary obligation owed to the Association.

All leases shall be for a minimum period of six (6) continuous calendar months. No Owner, nor anyone on their behalf, shall publish or cause to be published any advertisement of any type in any form of media, including, but not limited to, television, radio, internet website, newspaper, magazine, or trade publication, that indicates that a Parcel may be leased for anything less than the minimum period of six (6) continuous calendar months.

13.1 Tenant Conduct; Remedies. If a Tenant, occupant, guest, or Invitee fails to abide by the Governing Documents, the Owner(s) shall be responsible for said conduct and shall be subject to all remedies set forth in the Governing Documents and Florida law, without waiver of any remedy available to the Association as to the Tenant. The Owner shall have the duty to bring his Tenant's conduct (and that of the other guests) into compliance with the Governing Documents by whatever action is necessary, including without limitation the institution of eviction proceedings without notice to cure, where legally permissible. If the Owner fails to bring the conduct of the Tenant into compliance with the Governing Documents in a manner deemed acceptable by the Association, or in other circumstances as may be determined by the Board, the Association shall have the authority to act as agent of the Owner to undertake whatever action is necessary to abate the Tenants' noncompliance with the Governing Documents, including without limitation the right to terminate a lease and/or institute an action for eviction against the Tenant in the name of the Association in its own right, or as agent of the Owner. The Association shall have the right to recover any costs or fees, including attorneys' fees, incurred in connection with such actions, from the Owner which shall be secured by a continuing lien in the same manner as Assessments for Common Expenses, to wit, secured by a Lien for Charges.

13.2 Liability. The liability of the Owner under the Governing Documents shall continue notwithstanding the fact that he may have leased or rented his interest in the Parcel as provided herein.

14. ARCHITECTURAL CONTROL. The Architectural Review Committee (“ARC”) shall consist of at least three (3) members of the Association appointed by the Board. The Board may act as the ARC and in the absence of the Board’s appointment of an ARC, the Board shall be the ARC. The majority of the ARC shall constitute a quorum to transact business at any meeting. The Board in its sole and absolute discretion may remove members of the ARC at any time, with or without cause. The ARC shall perform all duties in accordance with the Act.

14.1 Purpose. The ARC shall regulate the external design, construction, materials, appearance, use, location, and maintenance of the Parcels and any Structures or Improvements thereon, or Work done thereto, in such a manner as to preserve and enhance values and to maintain a harmonious relationship among structures and the scheme of vegetation and topography.

14.2 Conditions. No work which in any way adds to, removes, or alters the exterior appearance of any Lot, Home, Structure, or Improvement, or which causes the Parcel to be different in appearance than its natural or improved state existing on the date such Parcel was first constructed and improved and conveyed by the declarant to an Owner, shall be done without the prior written approval of the ARC. The ARC may allow, via published guidelines, conditions for work that would not require specific approval. Such conditions will normally be limited to work performed as routine maintenance that does not alter the exterior appearance such as sod replacement, like to like roof replacement, etc. In such cases the owner will still be required to submit an application for the work for informational purposes.

14.3 Powers and Duties of the ARC. The ARC shall have the following powers and duties:

14.3.1 To recommend from time to time to the Board of Directors of the Association modifications or amendments to the Design Review Guidelines, which shall be part of the Rules and Regulations. Such modifications shall not be effective until adopted by the Board.

14.3.2 To require submission to the ARC of a complete set of all plans and specifications for any work. The ARC may also require submission of samples of building materials proposed for use or any other additional information as reasonably necessary for the ARC to completely evaluate the proposed work in accordance with the Declaration and the Rules.

14.3.3 To require fees related to third-party consultation, if necessary. Such fees, if any, shall be payable to the ARC at the time the plans and specifications are submitted to the ARC for approval. The ARC of other designed of the Association shall have the right to inspect construction work that has been performed.

14.3.4 Approval or disapproval by the ARC shall only be evidenced by a written instrument executed by at least one (1) member of the ARC, provided, however, that should the ARC fail to act upon any submission within forty-five (45) days from the receipt thereof by the Board, such inaction shall be deemed denial of the submission. Any disapproval of the ARC, whether by inaction or affirmative denial may be appealed to the Board, and the Board shall have the obligation to review such appeal within a reasonable time.

14.3.5 The ARC shall not be held responsible for approving plans that may be inconsistent with local, state, or federal regulations. Any inconsistencies or discrepancies with local, state, or federal permits are the responsibility of the Lot Owner and home builder. As a condition of the ARC's review of plans, every Parcel Owner grants members of the ARC and the Board, or other designees of the Association, the right to enter upon the Owner's Lot for the purpose of inspecting for compliance with approvals that have been given, although there shall be no duty to inspect by the Association. The Owner is responsible to make his contractor and all other parties aware of the Association's architectural review process.

15. AMENDMENTS. Except as elsewhere provided herein, this Declaration may be amended in the following manner:

15.1 Proposal of Amendments. An amendment may be proposed by the President of the Association, the Directors, or by twenty percent (20%) of the entire Voting Interests.

15.2 Proposed Amendment Format. Proposals to amend the existing Declaration shall contain the full text of the article to be amended. New words shall be underlined and words to be deleted shall be lined through. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying, "SUBSTANTIAL REWORDING OF DECLARATION OF COVENANTS AND RESTRICTIONS. SEE ARTICLE NUMBER ____ FOR PRESENT TEXT."

15.3 Notice. The subject matter of proposed amendments shall be included in the notice of any meeting at which a proposed amendment is to be considered or in connection with documentation for action without a meeting.

15.4 Adoption of Amendments. A resolution for the adoption of a proposed amendment may be adopted by a vote of at least two-thirds (2/3rds) of the Voting Interests of the Association present (in person or by proxy) and voting at a duly noticed meeting at which a quorum has been attained, or by the written agreement of two-thirds (2/3rds) of the entire Voting Interests. Amendments correcting errors, omissions, scrivener's errors, violations of applicable law, conflicts between the Governing Documents, or if determined necessary and desirable by the Board to comply with the requirements of the secondary mortgage market, may be executed by the Officers of the Association, upon Board approval, without need for Association membership

vote. The Board may also adopt amendments necessary to comply with the requirements of any governmental entity.

15.5 Effective Date. An amendment when adopted shall become effective after being recorded in the Public Records of Okaloosa County, Florida, according to law.

15.6 Automatic Amendment. Whenever the Act, Chapter 617 or other applicable statutes or administrative regulations, as amended from time to time, are amended to impose procedural requirements less stringent than set forth in this Declaration, the Board may operate the Association pursuant to the less stringent requirements without the need to change this Declaration. The Board, without a vote of the Members, may also adopt by majority vote, amendments to this Declaration as the Board deems necessary to comply with such operational changes as may be authorized by future amendments to Chapters 607, 617, and the Act, or other statutes or administrative regulations as required for the operation of the Association, all as amended from time to time.

16. TERM OF DECLARATION AND TERMINATION

16.1 The Declaration has an initial term of twenty (20) years and shall automatically renew for successive 10-year periods unless terminated upon the affirmative written consent of ninety percent (90%) of the entire Voting Interests, and upon the affirmative written consent of first mortgagees holding mortgages encumbering Parcels.

16.2 If this Declaration is terminated in accordance herewith, every Owner by acquiring title covenants and agrees that the termination documents shall require:

16.2.1 That Parcels shall continue to be used solely as single-family residences.

16.2.2 Common Areas shall be owned and held in equal shares by the Owners as tenants in common.

17. ASSOCIATION LIABILITY

17.1 Limitation on Liability. Notwithstanding its duty to maintain and repair the Common Areas, the Association shall not be liable to individual Owners, their Family members, Tenants, Guests and Invitees for personal injury or property damage caused by any latent condition of the Common Areas, or caused by the elements or Owners or other Persons.

18. EMERGENCY POWERS.

18.1 Additional Board Authority. In addition to other authority granted by law and the Governing Documents, the Board has the following power and authority in connection with emergency conditions:

18.1.1 To determine after casualty loss whether the Common Areas or portions thereof can be safely used or occupied. Such decision shall be based upon the advice of emergency management officials or a licensed professional.

18.1.2 To implement disaster protocols prior to, during, or after an impending disaster or emergency.

18.1.3 To adopt, by Board action, emergency assessments with such notice deemed practicable by the Board.

18.1.4 To adopt emergency Rules and Regulations governing the use of the Common Areas and the use, maintenance, clean-up, and restoration of the Parcels, with notice given only to those Directors with whom it is practicable to communicate.

18.1.5 To enter into agreements with local counties and municipalities to assist counties and municipalities with debris removal.

18.1.6 To exercise all emergency powers set forth in the Act.

18.2 In addition to all applicable emergency powers conferred by law and the Governing Documents, the Board shall have all of the powers in the preceding sections of this paragraph, plus the following powers for emergencies regarding any infectious disease outbreak, pandemic, biological or chemical contamination, including sewage, or similar public health risks:

18.2.1 To close or limit use of the Common Areas.

18.2.2 To restrict or ban entry into the Community by guests and Invitees if deemed necessary by the Board.

18.2.3 To enact and implement restrictions, protocols, and procedures the Board may deem appropriate, including, but not limited to, requiring the use of gloves, masks and other protective equipment, quarantines, restrictions, or moratoriums on move ins/move outs.

18.2.4 To enact any other rules and regulations as approved by a majority of the Board as the Board determines is in the best interests of the health, safety and welfare of Association, the Owners, and other occupants, with as much notice as practical.

18.2.5 To have all of the emergency powers as provided for in the Bylaws and Articles of Incorporation.

18.3 For purposes of this Article, an emergency shall be deemed to exist in the following circumstances:

18.3.1 When the locale in which the Community is under a tropical storm or hurricane watch or warning.

18.3.2 When the locale in which the Community is located is under a declared state of emergency from any governmental agency having jurisdiction related to health, safety, and welfare.

18.3.3 When the Common Areas are in danger of significant damage or have been significantly damaged, as determined by the Board, by casualty, act of nature, or act of man, including, but not limited to fires, floods, hurricanes, tropical storms or other severe weather events, floods, erosion, sinkholes, pandemics, or other public health threats, or acts of war, terrorism or criminal conduct.

18.3.4 The powers conferred by this Article shall be in force during such time as an emergency exists, as well as in anticipation of an emergency or in response to an emergency which has resulted in damage to the Common Areas, or which continues to present a threat to health, safety and welfare or legal liabilities to the Association.

19. MISCELLANEOUS

19.1 Savings Clause. If any provision of the Governing Documents hereto, as the same now exist or as may be later amended or any portion thereof, shall be held invalid by any court, or other governmental agency with proper authority to so hold, the validity of the remainder of said Governing Documents shall remain in full force and effect.

19.2 Heirs, Successors and Assigns. These Governing Documents shall be binding upon the heirs, nominees, successors, administrators, executors and assigns of all Owners.

19.3 Notices. All notices shall be given as provided in the Bylaws.

19.4 Compliance with Fair Housing Laws. There shall be no limitation upon sale, lease, or occupancy of any Parcel based upon race, creed, color, sex, religion, national origin, handicap, or familial status. The Association may make reasonable accommodations, including reasonable waiver of the covenants and restrictions of the Governing Documents, when necessary to afford handicapped individuals the opportunity to enjoy the Community, or to comply with other legal requirements.

19.5 Conflicts. In the event of a conflict between any provision of the Governing Documents and the Act, the Act shall control, except in cases where the Act permits the Governing Documents to regulate the subject, in which case the Governing Documents will control. In the event of a conflict between this Declaration and the other Governing Documents, same shall be governed as provided in the Bylaws.

19.6 Interpretation. The Board is responsible for interpreting the provisions of the Governing Documents. The Board's interpretations shall be binding upon all parties unless wholly unreasonable. A written opinion rendered by Association's legal counsel that an interpretation

adopted by the Board is not wholly unreasonable shall conclusively establish the interpretation as valid.

19.7 Captions and Headings. The headings and captions used in the Governing Documents are solely for convenience sake and shall not be considered a limitation of any nature in interpreting the Governing Documents.

19.8 Waiver. The failure of the Association to enforce any right, provision, covenant, or condition which may be granted by the Governing Documents shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant, or condition in the future.

19.9 Plurality; Gender. Wherever the context so permits, the singular includes the plural, the plural includes the singular, and the use of any gender includes all or no genders.

PROVISIONS RELATED TO SPECIFIC MAGNOLIA PLANTATION AT BLUEWATER BAY SUBDIVISIONS

20. Magnolia Lake Block A (Wild Boar Run)

20.1 The Parcels in Block A Subdivision are additionally encumbered by that certain declaration of covenants and restrictions recorded at O.R. Book 2207, Page 719 of Okaloosa County, Florida, Public Records. The only subdivision specific covenants being carried over to this Declaration are as follows:

20.1.1 Setbacks for Homes shall be:

- 20.1.1.1** Front: 20'
- 20.1.1.2** Rear: 20'
- 20.1.1.3** Left: 10'
- 20.1.1.4** Right: 10'

20.2 Nothing herein shall be construed to diminish the fact that the Parcels in Block A Subdivision are governed by all covenants, conditions, and restrictions contained in the Governing Documents.

20.3 This Section 20 may be amended with the written approval of the Board of Directors and two-thirds (2/3rds) of the owners of Parcels in this subdivision.

21. Magnolia Lake Block B (Armadillo Trail, Raccoon Trail)

21.1 The Parcels in Block B Subdivision are additionally encumbered by that certain declaration of covenants and restrictions recorded at O.R. Book 2207, Page 699 of Okaloosa County, Florida, Public Records. The only subdivision specific covenants being carried over to this Declaration are as follows:

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21.1.1 Setbacks for Homes shall be:

LOT	FRONT	REAR	LEFT SIDE	RIGHT SIDE
1	25	35'	5'	5'
2	25'	35'	5'	5'
3	25'	35'	5'	5'
4	25'	35'	5'	5'
5	20'	40'	5'	5'
6	20'	40'	5'	5'
7	20'	40'	5'	5'
8	20'	40'	5'	5'
9	20'	40'	5'	5'
10	20'	40'	5'	5'
11	20'	40'	5'	5'
12	20'	40'	5'	5'
13	20'	40'	5'	5'
14	20'	40'	5'	5'
15	20'	40'	5'	5'
16	20'	40'	5'	5'
17	20'	40'	5'	5'
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18	25'	35'	5'	5'
19	25'	35'	5'	5'
20	25'	35'	5'	5'
21	25'	35'	5'	5'
22	25'	35'	5'	5'
23	25'	35	5'	5'
24	25'	35'	5'	5'
25	25'	35'	5'	5'

21.2 Nothing herein shall be construed to diminish the fact that the Parcels in Block B Subdivision are governed by all covenants, conditions, and restrictions contained in the Governing Documents.

21.3 This Section 21 may be amended with the written approval of the Board of Directors and two-thirds (2/3rds) of the owners of Parcels in this subdivision.

22. Magnolia Plantation (Turtle Crossing, Alligator Point, Otterlake Cove, Bobcat Cove)

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22.1 The Parcels in Magnolia Plantation Subdivision are additionally encumbered by that certain declaration of covenants and restrictions recorded at O.R. Book 2207, Page 669 of Okaloosa County, Florida, Public Records. The only subdivision specific covenants being carried over to this Declaration are as follows:

22.1.1 Setbacks for Homes shall be:

<u>LOT</u>	<u>FRONT</u>	<u>REAR</u>	<u>LEFT</u>	<u>RIGHT</u>
1	25	30	10	10
2	25	30	10	10
3	25	30	10	10
4	25	35	10	10
5	25	45	10	10
6	25	45	10	10
7	25	45	10	10
8	25	45	10	10
9	25	40	10	10
10	25	40	10	10
11	25	40	10	10
12	25	40	10	10
13	25	30	10	10
14	25	30	10	10
15	25	30	10	10
16	25	30	10	10
17	25	30	10	10
18	25	30	10	10
19	25	30	10	10
20	25	30	10	10
21	25	30	10	10
22	25	30	10	10
23	25	30	10	10
24	25	30	10	10
25	25	30	10	10
26	25	30	10	10
27	20	30	10	10
28	20	30	10	10
29	20	30	10	10
30	20	30	10	10
31	20	30	10	10
32	20	30	10	10
33	20	30	10	10
34	20	30	10	10
35	20	30	10	10
36	20	30	10	10
37	20	30	10	10

38	20	30	10	10
39	25	30	10	10
40	25	30	10	10
41	25	30	10	10
42	25	40	10	10
43	25	40	10	10
44	25	45	10	10
45	25	45	10	10
46	25	45	10	10
47	25	45	10	10
48	25	45	10	10
49	25	45	10	10
50	25	45	10	10
51	25	45	10	10
52	25	45	10	10
53	25	45	10	10
54	25	30	10	10
55	25	30	10	10
56	25	30	10	10

22.2 Nothing herein shall be construed to diminish the fact that the Parcels in Magnolia Plantation Subdivision are governed by all covenants, conditions, and restrictions contained in the Governing Documents.

22.3 This Section 22 may be amended with the written approval of the Board of Directors and two-thirds (2/3rds) of the owners of Parcels in this subdivision.

23. Magnolia Point (Cougar Circle)

23.1 The Parcels in Magnolia Point Subdivision are additionally encumbered by that certain declaration of covenants and restrictions recorded at O.R. Book 2307, Page 2791 of Okaloosa County, Florida, Public Records. The only subdivision specific covenants being carried over to this Declaration are as follows:

23.1.1 Setbacks for Homes shall be:

<u>LOT</u>	<u>FRONT</u>	<u>REAR</u>	<u>LEFT</u>	<u>RIGHT</u>
BLOCK A				
1	25	30	10	10
2	25	40	10	10
3	25	40	10	10
4	25	40	10	10
5	25	40	10	10
6	25	40	10	10
7	25	30	10	10
8	25	40	10	10
9	25	40	10	10
10	25	40	10	10
11	25	40	10	10
12	25	40	10	10
13	20	40	10	10
14	25	30	10	10
15	25	30	10	10
16	25	30	10	10
17	25	30	10	10
18	25	30	10	10
19	20	30	15	20
20	25	30	10	10
21	25	30	10	10
22	25	30	25	10
BLOCK B				
1	25	20	25	10
2	25	20	10	10
3	25	20	10	10
4	25	20	10	25
5	25	20	25	10
6	25	20	10	10
7	25	20	10	10
8	25	20	10	25

23.2 Nothing herein shall be construed to diminish the fact that the Parcels in Magnolia Point Subdivision are governed by all covenants, conditions, and restrictions contained in the Governing Documents.

23.3 This Section 23 may be amended with the written approval of the Board of Directors and two-thirds (2/3rds) of the owners of Parcels in this subdivision.

24. Magnolia Village Phase I (Ernest Hemingway Drive, William Faulkner Drive)

24.1 The Parcels in Magnolia Village Phase I Subdivision are additionally encumbered by that certain declaration of covenants and restrictions recorded at O.R. Book 2207, Page 680 of Okaloosa County, Florida, Public Records. The only subdivision specific covenants being carried over to this Declaration are as follows:

24.1.1 Setbacks for Homes shall be:

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LOT	FRONT	REAR	LEFT SIDE	RIGHT SIDE
1	25'	50'	10' or 10% of lot width at the building line, whichever is greater	
2	25'	50'		
3	25'	50'		
4	25'	50'		"
5	25'	50'		"
6	25'	50'		"
106	25'	50'		"
107	25'	50'		"
108	25'	50'		"
109	25'	50'		"
110	25'	50'		"
111	25'	50'		"
112	25'	50'		"
113	25'	50'		"

7	25'	40'	9' or 10% of lot width at the building line, whichever is greater	
8	25'	40'		
9	25'	40'		
10	25'	40'		"
11	25'	40'		"
98	25'	40'		"
99	25'	40'		"
100	25'	40'		"
101	25'	40'		"
102	25'	40'		"
103	25'	40'		"
104	25'	40'		"
105	25'	40'		"

24.2 Nothing herein shall be construed to diminish the fact that the Parcels in Magnolia Village Phase I Subdivision are governed by all covenants, conditions, and restrictions contained in the Governing Documents.

24.3 This Section 24 may be amended with the written approval of the Board of Directors and two-thirds (2/3rds) of the owners of Parcels in this subdivision.

25. **Magnolia Village Phase II (Mark Twain Court),**

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25.1 The Parcels in Magnolia Village Phase II Subdivision are additionally encumbered by that certain declaration of covenants and restrictions recorded at O.R. Book 2207, Page 709 of Okaloosa County, Florida, Public Records. The only subdivision specific covenants being carried over to this Declaration are as follows:

25.1.1 Setbacks for Homes shall be as may be determined by the Board of Directors and then published in the ARC Guidelines.

25.2 Nothing herein shall be construed to diminish the fact that the Parcels in Magnolia Village Phase II Subdivision are governed by all covenants, conditions, and restrictions contained in the Governing Documents.

25.3 This Section 25 may be amended with the written approval of the Board of Directors and two-thirds (2/3rds) of the owners of Parcels in this subdivision.

26. Magnolia Village Phase III-A (American Poets Drive, John Steinbeck Drive)

26.1 The Parcels in Magnolia Village Phase III-A Subdivision are additionally encumbered by that certain declaration of covenants and restrictions recorded at O.R. Book 2207, Page 690 of Okaloosa County, Florida, Public Records. The only subdivision specific covenants being carried over to this Declaration are as follows:

26.1.1 Setbacks for Homes shall be as may be determined by the Board of Directors and then published in the ARC Guidelines.

26.2 Nothing herein shall be construed to diminish the fact that the Parcels in Magnolia Village Phase III-A Subdivision are governed by all covenants, conditions, and restrictions contained in the Governing Documents.

26.3 This Section 26 may be amended with the written approval of the Board of Directors and two-thirds (2/3rds) of the owners of Parcels in this subdivision.

27. Magnolia Village Phase III-B (Pearl S Buck Court)

27.1 The Parcels in Magnolia Village Phase III-B Subdivision are additionally encumbered by that certain declaration of covenants and restrictions recorded at O.R. Book 2207, Page 690 of Okaloosa County, Florida, Public Records. The only subdivision specific covenants being carried over to this Declaration are as follows:

27.1.1 Setbacks for Homes shall be as may be determined by the Board of Directors and then published in the ARC Guidelines.

27.2 Nothing herein shall be construed to diminish the fact that the Parcels in Magnolia Village Phase III-B Subdivision are governed by all covenants, conditions, and restrictions contained in the Governing Documents.

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27.3 This Section 27 may be amended with the written approval of the Board of Directors and two-thirds (2/3rds) of the owners of Parcels in this subdivision.

28. Mediterranean Village (Mediterranean Circle, Sicily Cove, Crete Cove, Samos Cove, Patmos Cove, Elba Cove, Malta Cove, Rhodes Cove, Mallorca Cove, Ibiza Cove, Corsica Cove, Sardinia Cove)

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28.1 The Parcels in Mediterranean Village Subdivision are additionally encumbered by that certain declaration of covenants and restrictions recorded at O.R. Book 2207, Page 921 of Okaloosa County, Florida, Public Records. The only subdivision specific covenants being carried over to this Declaration are as follows:

28.1.1 No Home or other Improvement shall be more than thirty-five (35) feet in height above the normal surface of the ground.

28.1.2 Setbacks for Homes shall be as may be determined by the Board of Directors and then published in the ARC Guidelines.

28.2 Nothing herein shall be construed to diminish the fact that the Parcels in Mediterranean Village Subdivision are governed by all covenants, conditions, and restrictions contained in the Governing Documents.

28.3 This Section 28 may be amended with the written approval of the Board of Directors and two-thirds (2/3rds) of the owners of Parcels in this subdivision.

29. Fairway Oaks (Lost Horse Circle)

29.1 The Parcels in Fairway Oaks Subdivision are additionally encumbered by that certain declaration of covenants and restrictions recorded at O.R. Book 2344, Page 2440 of Okaloosa County, Florida, Public Records. The only subdivision specific covenants being carried over to this Declaration are as follows:

29.1.1 No Home or other Improvement shall be more than thirty-five (35) feet in height above the normal surface of the ground.

29.1.2 Setbacks for Homes shall be:

<u>LOT #</u>	<u>FRONT SETBACK</u>	<u>REAR SETBACK</u>	<u>LEFT SIDE SETBACK</u>	<u>RIGHT SIDE SETBACK</u>
1	20	30	5	5
2	20	30	5	5
3	20	30	5	5
4	20	30	5	5
5	20	30	5	5
6	20	30	5	5
7	20	30	5	5
8	20	30	5	5
9	20	30	5	5
10	20	30	5	5
11	20	30	5	5
12	20	30	5	5
13	20	30	5	5
14	20	20	5	5
15	20	20	5	5
16	20	20	5	5
17	20	20/25	5	5
18	20	10	5	5
19	20	10	5	5
20	20	10	5	5
21	20	10	5	5
22	20	10	5	5
23	20	10	5	5
24	20	10	5	5
25	20	10	5	5
26	20	10	5	5

29.2 Nothing herein shall be construed to diminish the fact that the Parcels in Fairway Oaks Subdivision are governed by all covenants, conditions, and restrictions contained in the Governing Documents.

29.3 This Section 29 may be amended with the written approval of the Board of Directors and two-thirds (2/3rds) of the owners of Parcels in this subdivision.

30. The Meadows (Red Fox Run)

30.1 To be added.