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FILED AND RECORDED
DATE 05/20/1999 TM 13:11

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DECLARATION OF COVENANTS
AND RESTRICTIONS FOR THE RETREAT

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EXHIBITS

EXHIBIT "A"	Design Review Guidelines	See Amendments
EXHIBIT "B"	Amended And Restated Articles of Incorporation of the Retreat Homeowner's Association, Inc.	
EXHIBIT "C"	By-laws of the Retreat Homeowner's Association, Inc.	
EXHIBIT "D"	Rules and Regulations	See Amendments
EXHIBIT "E"	The Initial Portions of Common Areas	
EXHIBIT "F"	The Initial Portions of The Properties	

DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
THE RETREAT

THIS DECLARATION is made this 20th day of May, 1999, by THE ST. JOE COMPANY, a Florida corporation ("Developer" or "Declarant"), recites and provides:

RECITALS:

- A. Declarant is the owner of certain land located in Walton County, Florida, being all of that real property described on Exhibit "F" attached hereto (the "Property" or the "Properties"). The Declarant desires to maintain the beauty of the Property to assure high quality standards for the enjoyment of the Property and to promote the recreational interest of each owner of a portion of the Property.
- B. Declarant desires to provide for the preservation and enhancement of the Property, and for the maintenance of the Property and the improvements thereon, Declarant desires to subject the Property, together with such additional parcels of land as may hereafter be made subject thereto, to the covenants, restrictions, easements, charges and liens of this Declaration, each and all of which is and are for the benefit of the Property and each owner of a portion thereof.
- C. Declarant desires to provide for the efficient management of the Property, in connection therewith Declarant deems it desirable to assign to a non-profit corporation the power and duty of administering and enforcing the protective covenants, conditions, restrictions and limitations hereinafter set forth including, without limitation, the maintaining and administering the Common Areas, as hereinafter defined, and collecting and disbursing the Assessments and charges hereinafter created.

DECLARATION

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of the Property and shall run with the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof and the Declarant.

ARTICLE I
DEFINITIONS AND INTERPRETATION

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

"Articles" or "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Association attached hereto as Exhibit "B", which may be amended at any time as provided therein and herein without the necessity of recording an amendment hereto or thereto in the public records.

"Association" shall mean and refer to THE RETREAT OF SOUTH WALTON COUNTY HOMEOWNER'S ASSOCIATION, INC., a Florida corporation not for profit.

"By-Laws" shall mean and refer to the By-Laws of the Association attached hereto as Exhibit "C", which may be amended at any time as provided therein and herein without the necessity of recording an amendment hereto or thereto in the public records.

"Common Areas" shall mean the property legally described in Exhibit "E" attached hereto, plus all property designated as Common Areas in any future recorded supplemental declaration; together with the landscaping and any improvements thereon, and all personal property intended for common use and enjoyment of Owners. "Common Areas" shall also include within their meaning the area subject to any easement in favor of the Association including, without limitation, those easements set forth in Article IV hereto. In the case of such an easement the provisions hereof which assume that fee simple title to a Common Area is held by the Association or which requires the conveyance of such title to the Association shall not apply and the duties and responsibilities of the Association with respect to such easement Common Areas shall only operate to require the Association's maintenance thereof.

"Design Review Guidelines" shall mean and refer to The Retreat Design Guidelines attached hereto as Exhibit "A", which may be amended at any time as provided therein and herein without the necessity of recording an amendment hereto or thereto in the public records.

"Developer" and "Declarant" shall mean and refer to THE ST. JOE COMPANY, a Florida corporation, its successors and such of its assigns as to which the rights of Developer hereunder are specifically assigned. Developer may assign all or a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of The Properties. In the event of such a partial assignment, the assignee shall not be deemed the Developer, but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

"Home" shall mean and refer to the individual residential structure constructed on a Lot for which a certificate of occupancy has been issued and all related improvements.

"Lot" shall mean and refer to any Lot on any plat of all or a portion of The Properties, which plat is designated by Developer hereby or by any other recorded instrument to be subject to these covenants and restrictions, any Lot shown upon any resubdivision of any such plat, and any other property hereafter declared as a Lot by the Developer and thereby made subject to this Declaration.

"Member" shall mean and refer to all those Owners who are Members of the Association as provided in Article III hereof, including the Developer. Any provision of this Declaration or of the Articles, By-Laws or Rules and Regulations of the Association restricting, regulating or mandating any activities by Members or Owners (including, without limitation, the Association's enforcement rights) shall also be binding upon and enforceable against all other occupants of the Member's Home, whether family member, tenant or otherwise; provided, however, that no person other than a Member shall be personally entitled to vote or otherwise participate in Association business and no such party shall be liable for the payment of assessments hereof (other than fines as permitted by law). Additionally, any action to be taken by a Member or Owner hereunder shall, if the Member or Owner is a corporation, partnership or otherwise other than a natural person, be taken by an officer, partner or other designee thereof and such Member may exercise all of the benefits and privileges of a Member (including, without limitation, serving on the Board of Directors or a committee of the Association) through such party, subject to any provision of the By-Laws requiring the written designation of such a party.

"Member's Permittee" shall mean and refer to a person being a family member, guest or invitee of the Owner thereof.

"Owner" shall mean and refer to the owner of record, whether one or more persons or entities, of the fee simple title to any Lot situated within The Properties, including the Developer.

"Plat" shall mean and refer to the plat of The Retreat recorded at Plat Book 14, Page 4 and 4a of the Public Records of Walton County, Florida, which may be amended at any time as provided therein and herein without the necessity of recording an amendment hereto or thereto in the public records.

"The Properties" or "Property" shall mean and refer to all existing properties, and additions thereto, as are now or hereafter made subject to this Declaration as described on Exhibit "F" attached hereto, except those which are withdrawn from the provisions hereof in accordance with the procedures hereinafter set forth.

"Rules and Regulations" shall mean and refer to the Rules and Regulations of the Association attached hereto as Exhibit "D", which may be

amended at any time as provided therein and herein without the necessity of recording an amendment hereto or thereto in the public records.

"Stormwater Management System" shall mean and refer to a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect a quantity and quality of discharges from the system. The term shall also include any stormwater discharge facility servicing The Properties.

Section 2. Interpretation. The provisions of this Declaration as well as those of the Articles, By-Laws and any Rules and Regulations of the Association shall be interpreted by the Board of Directors. Any such interpretation of the Board which is rendered in good faith shall be final, binding and conclusive if the Board receives a written opinion of legal counsel to the Association, or the counsel having drafted this Declaration or other applicable document, that the interpretation is not unreasonable, which opinion may be rendered before or after the interpretation is adopted by the Board. Notwithstanding any rule of law to the contrary, the provisions of this Declaration and the Articles, By-Laws and the Rules and Regulations of the Association shall be liberally construed so as to effectuate the purposes herein expressed with respect to the efficient operation of the Association and The Properties, and the protection of Developer's rights, benefits and privileges herein contemplated.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION;
ADDITIONS THERETO

Section 1. Legal Description. The real property which, initially, is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Walton County, Florida, and is more particularly described in Exhibit "F" attached hereto, all of which real property (and all improvements thereto), together with additions thereto, but less any withdrawals therefrom, is herein referred to collectively as "The Properties".

Section 2. Supplements. Developer hereby reserves the right to increase the land constituting The Properties from time to time in "phases". Accordingly, Developer may bring other land under the provisions hereof by recorded supplemental declarations (which shall not require the consent of then existing Owners, the Association, or any mortgagee other than that of the land intended to be added to The Properties, if any) and thereby add to The Properties. Nothing herein, however, shall obligate the Developer to add to the initial portion of The Properties, to develop any such future portions under such common scheme, nor to prohibit Developer (or the applicable Developer-affiliated Owner) from rezoning and/or changing plans with respect to such future portions. All Owners, by acceptance of a deed to or other conveyance of their Lots, thereby automatically consent to any such rezoning, change, addition or deletion thereafter made by the Developer (or the applicable Developer-affiliated Owner thereof) and shall evidence such consent in writing

if requested to do so by the Developer at any time (provided, however, that the refusal to give such written consent shall not obviate the general effect of this provision).

Section 3. Withdrawal. Developer reserves the right to amend this Declaration at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of The Properties then owned by the Developer or its affiliates or the Association from the provisions of this Declaration to the extent included originally in error or as a result of any changes whatsoever in the plans for The Properties desired to be effected by the Developer; provided, however, that such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for The Properties. Any withdrawal of land not owned by Developer shall require the written consent or joinder of the then-owner(s) and mortgagee(s) of such land. Further, the withdrawal of any portion of The Properties which were required to be included herein by any governmental or quasi-governmental entity, whether specifically or by standards set forth in applicable codes and regulations, shall require the written consent of such entity. **Without limiting the generality of the foregoing, no withdrawal of property may be made which is contrary to the approval of the development of The Properties by any governmental entity, as amended from time to time, without the prior written consent of applicable approving entity.**

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. Notwithstanding anything else to the contrary set forth in this Section 1, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of the Association.

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

Class A. Class A Members shall be all those Owners as defined in Section 1 with the exception of the Developer (as long as the Class B Membership shall exist, and thereafter, the Developer shall be a Class A Member to the extent it would otherwise qualify). Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, but the single vote for such Lot shall be exercised as they among themselves determine but, subject only to the following subsection, in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B. The Class B Member shall be the Developer. The Class B Member shall be entitled to one (1) vote, plus two (2) votes for each vote entitled to be cast in the aggregate at any time and from time to time by the Class A Members. The Class B membership shall cease and terminate three (3) months after ninety percent (90%) of the Lots within The Properties has been sold and conveyed to Class A Members, or sooner at the election of the Developer. Whereupon the Class A Members shall be obligated to elect the Board and assume control of the Association.

Section 3. General Matters. When reference is made herein, or in the Articles, By-Laws, Rules and Regulations of the Association, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members present at a duly constituted meeting thereof (i.e., one for which proper notice has been given and at which a quorum exists) and not of the Members themselves or of their Lots.

ARTICLE IV **COMMON AREAS; CERTAIN EASEMENTS**

Section 1. Members' Easements. Each Member, and each Member's Permittee, shall have a non-exclusive permanent and perpetual easement over and upon the Common Areas for the intended use and enjoyment thereof in common with all other such Members, Member's Permittees, their tenants, agents and invitees, in such manner as may be regulated by the Association.

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

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

(B) The right of the Association to adopt at any time and from time to time and enforce Rules and Regulations governing the use of The Properties, including the right to fine Members as hereinafter provided and the right to regulate access over Common Area roadways. Any rule and/or regulation so adopted by the Association shall apply until rescinded or modified as if originally set forth at length in this Declaration.

(C) The right to the use and enjoyment of the Common Areas thereon shall extend to all Members' Permittees, subject to regulation from time to time by the Association in its lawfully adopted and published Rules and Regulations.

(D) The right of Developer to permit such persons as Developer shall designate to use the Common Areas.

(E) The right of Developer and the Association to have, grant and use general ("blanket") and specific easements over, under and through the Common Areas.

(F) The right of the Association, by a 2/3rds affirmative vote of the entire membership, to dedicate or convey portions of the Common Areas to any other association having similar functions, or any local government or public or quasi-public agency, community development district or similar entity under such terms as the Association deems appropriate and to create or contract with the other association, government, community development and special taxing districts for lighting, roads, recreational or other services,

patrol, or communications and other similar purposes deemed appropriate by the Association (to which such dedication or contract all Owners, by the acceptance of the deeds, to their Lots, shall be deemed to have consented, no consent of any other party, except the Developer, being necessary). Notwithstanding the foregoing, the Board of Directors may, acting alone, prove and effectuate a conveyance of any portion of the Common Areas to the Developer if necessary to effectuate plans for the development of The Properties or changes therein.

WITH RESPECT TO THE USE OF THE COMMON AREAS AND THE PROPERTIES GENERALLY, ALL PERSONS ARE REFERRED TO ARTICLE VI, HEREOF, WHICH SHALL AT ALL TIMES APPLY THERETO.

Section 2. Easements Appurtenant. The easements provided in Section 1 shall be appurtenant to and shall pass with the title to each Lot, but shall not be deemed to grant or convey any ownership interest in the Common Area subject thereto.

Section 3. Maintenance. The Association shall at all times maintain in good repair and manage, operate and insure (to the extent appropriate), and shall replace as often as necessary, the Common Areas and the Stormwater Management System and to the extent not otherwise provided for, the paving, landscaping, improvements and other structures (except public utilities, to the extent same have not been made Common Areas) situated on the Common Areas, if any, all such work to be done as ordered by the Board of Directors of the Association. Without limiting the generality of the foregoing, the Association shall assume all of Developer's and its affiliates' responsibility to Walton County and its governmental and quasi-governmental subdivisions, any state and federal agencies, and similar entities of any kind with respect to the Common Areas, the Stormwater Management System, and the Environmental Permits and Restrictions set forth in Article IV, Section 13, and shall indemnify and hold the Developer and its affiliates harmless with respect thereto.

All work performed pursuant to this Section and all obligations and expenses incurred by the Association pursuant to this Declaration shall be paid for by the Association through assessments (either general or special) imposed in accordance herewith.

No Owner may waive or otherwise escape liability for assessments by non-use (whether voluntary or involuntary) of the Common Areas or abandonment of the right to use the Common Areas.

Section 4. Utility/Drainage Easements. Use of the Common Areas for utilities, as well as use of the other utility easements as shown on relevant plats, shall be in accordance with the applicable provisions of this Declaration and said Plats. All drainage/utility easements identified in the Plat shall be for the benefit of Declarant, its affiliates, and its and their designees and assignees. The Developer and its affiliates and its and their designees shall have a perpetual easement over, upon and under the Common Areas and the unimproved portions of the Lots for the installation, operation, maintenance, repair, replacement, alteration and expansion of utilities. As used herein, "utilities" shall include, without limitation, drainage systems (even if such systems consist only of

special grading) and cable telecommunications systems. All utilities shall be installed underground, except for transformers and similar equipment which must be above ground.

Section 5. Public Easements. Fire, police, health and sanitation, park maintenance and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas in the performance of their respective duties.

Section 6. Ownership. The Common Areas are hereby dedicated non-exclusively to the joint and several use, in common, of the Developer and the Owners of all Lots that may from time to time constitute part of The Properties and all Member's Permittees and the Developer's tenants, guests and invitees, all as provided and regulated herein or otherwise by the Association. The Common Areas (or appropriate portions thereof) shall, upon the date when the last Lot within The Properties has been conveyed to a purchaser (or at any time and from time to time sooner at the sole election of the Developer), be conveyed by quit claim deed to the Association, which shall be deemed to have automatically accepted such conveyance. Beginning from the date this Declaration is recorded, the Association shall be responsible for the maintenance, insurance and administration of such Common Areas (whether or not then conveyed or to be conveyed to the Association), all of which shall be performed in a continuous and satisfactory manner without cost to the general taxpayers of Walton County.

Without limiting the generality of the definition of Common Areas herein, in the event that a Common Area is not owned or to be owned by the Association but, rather, constitutes an easement in favor of the Association, then the foregoing shall apply only to the extent necessary to permit and require the Association to maintain the area within such easement or to perform such other functions as the easement may require or permit. By way of example, in the event that the Association has an easement, or is required by applicable plat or governmental requirement or regulation, to provide weed or water quality control within a water body, then the area to be so maintained shall be deemed a Common Area of the Association but only for the purpose of complying with such requirement.

It is intended that any and all real estate taxes assessed against that portion of the Common Areas owned or to be owned by the Association shall be (or have been, because the purchase prices of the Lots and Homes have already taken into account their proportionate shares of the values of the Common Area), proportionally assessed against and payable as part of the taxes of the applicable Lots within The Properties. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Common Areas, the Association shall be responsible for the payment (subject to protest or appeal before or after payment) of the same, including taxes on any improvements and any personal property located thereon, which taxes accrue from and after the date these covenants are recorded, and such taxes shall be prorated between Developer and the Association as of the date of such recordation.

Developer and its affiliates shall have the right from time to time to enter upon the Common Areas and other portions of The Properties (including, without limitation, Lots and Homes) for the purpose of the installation, construction, reconstruction, repair, replacement, operation, expansion and/or alteration of any improvements or facilities on the Common Areas or elsewhere on The Properties that Developer and its affiliates or designee elect to effect, and to use, without charge, the

Common Areas and other portions of The Properties for sales, displays and signs or for any other purpose during the period of construction and sale of any portion thereof or of other portions of adjacent or nearby communities. Without limiting the generality of the foregoing, the Developer and its affiliates shall have the specific right to maintain upon any portion of The Properties owned thereby sales, administrative, construction or other offices and appropriate exclusive and non-exclusive easements of access and use are expressly reserved unto the Developer and its affiliates, and its and their successors, assigns, employees and contractors, for this purpose. Any obligation (which shall not be deemed to be created hereby) to complete portions of the Common Areas shall, at all times, be subject and subordinate to these rights and easements and to the above-referenced activities. Accordingly, the Developer shall not be liable for delays in such completion to the extent resulting from the need to finish the above-referenced activities prior to such completion.

Section 7. Pedestrian Pathway Easements. Declarant hereby grants, bargains, sells and conveys to the Association Pedestrian Pathway Easements over, across and through the areas so identified on the Plat for walking, pedestrian ingress and egress, and other appropriate recreational purposes with respect to use and enjoyment of the beach and lake areas. Declarant or Association may construct within a Pedestrian Pathway Easement any structure incident to the use and enjoyment hereof, including a pavilion, boardwalk, pathway and any other structure.

Section 8. Wall and Landscape Easement. Declarant hereby grants, bargains, sells and conveys to the Association a Wall and Landscaping Easement over and across and through the area so identified in the Plat for landscaping and construction of a buffer wall, the maintenance and repair thereof and all other uses incident thereto. Declarant may construct within the Wall and Landscape Easement a wall and appropriate landscaping to serve as a buffer to the adjacent property.

Section 9. Common Recreation Use Easement. Declarant hereby grants, bargains, sells and conveys to the Association, a Common Recreation Use Easement over, across and through the area so identified on the Plat for walking, bathing and other appropriate recreational purposes with respect to the use and enjoyment of the beach and Gulf of Mexico, and for pedestrian ingress and egress to the beach area. The Association shall establish reasonable rules and regulations with respect to the use of the Common Recreation Use Easement.

Section 10. Access Easement. Declarant hereby grants, bargains, sells and conveys to the Association, an Access Easement over, across and through the area so identified on the Plat for pedestrian and vehicular ingress and egress. Declarant may construct within the Access Easement a road, pathway or related structures incident to the use and enjoyment thereof.

Section 11. Choctawhatchee Electric Cooperative, Inc. Easement. Declarant hereby grants, bargains, sells and conveys to Choctawhatchee Electric Cooperative, Inc., an easement over, across and through the area so identified on the Plat for installation, operation, repairs, replacement, alteration and expansion of electrical power utilities.

Section 12. Florida Community Services Corp of Walton County Left Station Easement. Declarant hereby grants, bargains, sells and conveys to Florida Community Services Corp of Walton

County a Lift Station Easement over, across and through the area so identified on the Plat for installation, operation, repairs, replacement, alteration and expansion of sewer utilities.

Section 13. Environmental Permits and Restrictions. THE PROPERTY WAS DEVELOPED IN ACCORDANCE WITH THE REQUIREMENTS OF PERMIT NUMBER 1994-02417, ISSUED BY THE U.S. ARMY CORPS OF ENGINEERS ("ACOE"), AND PERMIT NUMBER 662512681, ISSUED BY THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION ("DEP"). THE PERMITS ARE OR WILL BE OWNED BY THE ASSOCIATION, AND SUCH ASSOCIATION HAS THE OBLIGATION TO ASSURE THAT ALL TERMS AND CONDITIONS THEREOF ARE ENFORCED. THE ASSOCIATION SHALL HAVE THE RIGHT TO BRING AN ACTION, AT LAW OR IN EQUITY, AGAINST AN OWNER VIOLATING SUCH PERMITS.

PROVIDED, HOWEVER, ANY OWNER OWNING A LOT WHICH CONTAINS OR IS ADJACENT TO JURISDICTIONAL WETLANDS, UPLANDS PRESERVATION AREAS, OR CONSERVATION AREAS AS ESTABLISHED BY THE ACOE OR DEP, SHALL, BY ACCEPTANCE OF TITLE TO THE LOT, BE DEEMED TO HAVE ASSUMED THE OBLIGATION TO COMPLY WITH THE REQUIREMENTS OF THE FOREGOING PERMITS AS SUCH RELATE TO THE OWNER'S LOT.

EXCEPT AS REQUIRED OR PERMITTED BY THE AFOREMENTIONED PERMITS ISSUED BY THE ACOE AND DEP, NO OWNER SHALL ALTER, FILL, DREDGE, PLACE SOD OR EXCAVATE, OR PERFORM SIMILAR ACTIVITIES ON ANY PORTION OF THEIR RESPECTIVE LOTS, UNLESS AND UNTIL SUCH ACTIVITY IS AUTHORIZED BY OR EXEMPT FROM THE REQUIREMENTS OF THE ACOE AND DEP.

IN THE EVENT THAT AN OWNER VIOLATES THE TERMS AND CONDITIONS OF SUCH PERMITS AND FOR ANY REASON THE DEVELOPER, OR THE ASSOCIATION IS CITED THEREFORE, THE OWNER AGREES TO INDEMNIFY AND HOLD THE DEVELOPER, AND THE ASSOCIATION HARMLESS FROM ALL COSTS ARISING IN CONNECTION THEREWITH, INCLUDING WITHOUT LIMITATION, ALL COSTS AND ATTORNEYS FEES AS WELL AS ALL COSTS OF CURING SUCH VIOLATION.

NOTWITHSTANDING ANY OTHER PROVISIONS CONTAINED ELSEWHERE IN THIS DECLARATION, THE ACOE AND DEP SHALL EACH HAVE THE RIGHTS AND POWERS ENUMERATED IN THIS PARAGRAPH. THE ACOE AND DEP SHALL HAVE THE RIGHT TO ENFORCE, BY A PROCEEDING AT LAW OR IN EQUITY, THE PROVISIONS CONTAINED IN THIS DECLARATION WHICH RELATE TO THE PERMITS AND THE JURISDICTIONAL LANDS SUBJECT TO THE REGULATION OF THE ACOE OR DEP. ANY AMENDMENT TO THIS DECLARATION WHICH AMENDS THE RESPONSIBILITIES OR OBLIGATIONS OF THE PARTIES WITH RESPECT TO THE REFERENCED PERMITS, MUST HAVE PRIOR WRITTEN APPROVAL OF THE ACOE AND DEP, AS APPLICABLE, IN THE EVENT THAT THE ASSOCIATION IS DISSOLVED, PRIOR TO SUCH DISSOLUTION, ALL RESPONSIBILITY RELATING TO THE SURFACE WATER OR STORMWATER

MANAGEMENT SYSTEM AND THE PERMITS MUST BE ASSIGNED TO AND ACCEPTED BY AN ENTITY APPROVED BY THE ACOE AND DEP.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. Except as provided elsewhere herein, the Developer (and each party joining in any supplemental declaration), for all Lots within The Properties, hereby covenants and agrees, and each Owner of any Lot by acceptance of a deed therefor or other conveyance thereof, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association annual assessments and charges for the operation of, and for payment of expenses allocated or assessed to or through, the Association, the maintenance, management, operation and insurance (to the extent appropriate) of the Common Areas and the Stormwater Management System as provided elsewhere herein, including such reasonable reserves as the Association may deem necessary, capital improvement assessments, as provided in Section 4 hereof, special assessments as provided in Section 3 hereof, payments under "bulk" contracts for cable television, monitoring systems and the like and all other charges and assessments hereinafter referred to or lawfully imposed by or on the Association, all such assessments to be fixed, established and collected from time to time as herein provided. In addition, special assessments may be levied against particular Owners and Lots for fines, expenses incurred against particular Lots and/or Owners to the exclusion of others and other charges against specific Lots or Owners as contemplated in this Declaration. The annual, special and other assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is the Owner of such property at the time when the assessment fell due and all subsequent Owners until paid, except as provided in Section 8 of this Article.

Except as provided herein with respect to special assessments which may be imposed on one or more Lots and Owners to the exclusion of others, all assessments imposed by the Association shall be imposed against all Lots subject to its jurisdiction equally.

Reference herein to assessments shall be understood to include reference to any and all of the charges described in this Article whether or not specifically mentioned.

Section 2. Purpose of Assessments. The regular assessments levied by the Association shall be used exclusively for the purposes expressed in Section 1 of this Article.

Section 3. Special Assessments. In addition to the regular and capital improvement assessments which are or may be levied hereunder, the Association (through the Board of Directors) shall have the right to levy special assessments against an Owner(s) to the exclusion of other Owners for (i) the repair or replacement of damage to any portion of the Common Areas (including, without limitation, improvements and landscaping thereon) caused by the misuse, negligence or other action or inaction of an Owner or his Member's Permittee(s) or (ii) the costs of work performed by the

Association in accordance with Article IV of this Declaration (together with any surcharges collectible thereunder). Any such special assessment shall be subject to all of the applicable provisions of this Article including, without limitation, lien filing, foreclosure procedures, late charges and interest. Any special assessment levied hereunder shall be due within the time specified by the Board of Directors in the action imposing such assessment.

Section 4. Capital Improvements. Funds which, in the aggregate, exceed 10% of the total amount of the then-current operating budget of the Association in any one fiscal year which are necessary for the addition of capital improvements (as distinguished from repairs and maintenance, in the reasonable judgment of the Association's Board of Directors) relating to the Common Areas under the jurisdiction of the Association and which have not previously been collected as reserves or are not otherwise available to the Association (other than by borrowing) shall be levied by the Association as assessments only upon approval of a majority of the Board of Directors of the Association and upon approval by two-thirds (2/3) favorable vote of the Members of the Association voting at a meeting or by ballot as may be provided in the By-Laws of the Association.

Section 5. Date of Commencement of Annual Assessments; Due Dates. The annual regular assessments provided for in this Article shall commence on the first day of the month next following the recordation of these covenants and shall be applicable through December 31 of such year. Each subsequent annual assessment shall be imposed for the year beginning January 1 and ending December 31.

The annual assessments shall be payable in advance in monthly installments, or in annual, semi- or quarter-annual installments if so determined by the Board of Directors of the Association.

The assessment amount (and applicable installments) may be changed at any time by said Board from that originally stipulated or from any other assessment that is in the future adopted. The original assessment for any year shall be levied for the calendar year (to be reconsidered and amended, if necessary, no more than twice each year), but the amount of any revised assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months (or other appropriate installments) remaining in such calendar year.

The due date of any special assessment or capital improvement assessment shall be fixed in the Board resolution authorizing such assessment.

Section 6. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against the Lots subject to the Association's jurisdiction for each assessment period, to the extent practicable, at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto at least twenty (20) days prior to the date for the payment of the first installment thereof, except as to special assessments. In the event no such notice of the assessments for a new assessment period is

given, the amount payable shall continue to be the same as the amount payable for the previous period, until changed in the manner provided for herein.

Subject to other provisions hereof, the Association shall upon demand at any time furnish to any Owner liable for an assessment a certificate in writing signed by an officer of the Association, setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment of any assessment to the Association therein stated to have been paid.

The Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons, firms or corporations (including affiliates of the Developer) for management services. The Association shall have all other powers provided in its Articles of Incorporation and By-Laws.

Section 7. Effect of Non-Payment of Assessment; the Personal Obligation; the Lien; Remedies of the Association. If the assessments (or installments) provided for herein are not paid on the date(s) when due (being the date(s) specified herein or pursuant hereto), then such assessments (or installments) shall become delinquent and shall, together with late charges, interest and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind such property in the hands of the then Owner, his heirs, personal representatives, successors and assigns. Except as provided in Section 8 of this Article to the contrary, the personal obligation of the then Owner to pay such assessment shall pass to his successors in title and recourse may be had against either or both.

If any installment of an assessment is not paid within fifteen (15) days after the due date, at the option of the Association, a late charge not greater than ten percent (10%) of the amount of such unpaid installment may be imposed (provided that only one late charge may be imposed on any one unpaid installment and if such installment is not paid thereafter, it and the late charge shall accrue interest as provided herein but shall not be subject to additional late charges; provided further, however, that each other installment thereafter coming due shall be subject to one late charge each as aforesaid) or the next twelve (12) months' worth of installments may be accelerated and become immediately due and payable in full and all such sums shall bear interest from the dates when due until paid at the highest lawful rate (or, if there is no highest lawful rate, 18% per annum). In any such case, the Association may bring an action at law against the Owner(s) personally obligated to pay the same, may record a claim of lien (as evidence of its lien rights as hereinabove provided for) against the Lot on which the assessments are unpaid, may foreclose the lien against the Lot on which the assessments are unpaid, or may pursue one or more of such remedies at the same time or successively, and attorneys' fees and costs actually incurred in preparing and filing the claim of lien and the complaint, if any, and prosecuting same, in such action shall be added to the amount of such assessments, late charges and interest, and in the event a judgment is obtained, such judgment shall include all such sums as above provided and attorneys' fees actually incurred together with the costs of the action, through all applicable appellate levels.

In the case of an acceleration of the next twelve (12) months' of installments, each installment so accelerated shall be deemed, initially, equal to the amount of the then most current delinquent

installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the Lot whose installments were so accelerated shall continue to be liable for the balance due by reason of such increase and special assessments against such Lot shall be levied by the Association for such purpose.

In addition to the rights of collection of assessments stated in this Section, any and all persons acquiring title to or an interest in a Lot as to which the assessment is delinquent, including without limitation persons acquiring title by operation of law and by judicial sales, shall not be entitled to the occupancy of such Lot or the enjoyment of the Common Areas until such time as all unpaid and delinquent assessments due and owing from the selling Owner have been fully paid; provided, however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by Section 8 of this Article.

All assessments, late charges, interest, penalties, fines, attorney's fees and other sums provided for herein shall accrue to the benefit of the Association.

Section 8. Subordination of the Lien. The lien of the assessments provided for in this Article shall be subordinate to real property tax liens and the lien of any first mortgage (recorded prior to recordation by the Association of a claim of lien) and which is now or hereafter placed upon any property subject to assessment; provided, however, that any such mortgage lender when in possession or any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any such mortgage lender acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgage lender, shall hold title subject to the liability and lien of any assessment coming due after such foreclosure (or conveyance in lieu of foreclosure). Any unpaid assessment which cannot be collected as a lien against any Lot by reason of the provisions of this Section shall be deemed to be an assessment divided equally among, payable by and a lien against all Lots subject to assessment by the Association, including the Lots as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

Section 9. Developer's Assessments. Notwithstanding anything herein to the contrary, Developer shall have the option, in its sole discretion, to (i) pay assessments on the Lots owned by it, (ii) pay assessments only on certain designated Lots (e.g., those under construction or those containing a Home for which a certificate of occupancy has been issued) or (iii) not pay assessments on any Lots and in lieu thereof fund any resulting deficit in the Association's operating expenses not produced by assessments receivable from Owners other than Developer and any other income receivable by the Association. The deficit to be paid under option (iii), above, shall be the difference between (a) actual operating expenses of the Association (i.e., expenses exclusive of capital improvement costs and reserves) and (b) the sum of all monies receivable by the Association (including, without limitation, assessments, interest, late charges, fines and incidental income) and any surplus carried forward from the preceding year(s). Developer may from time to time change the option under which Developer is making payments to the Association by written notice to such effect to the Association. If Developer at any time elects option (ii), above, it shall not be deemed to have necessarily elected option (i) or (iii) as to the Lots which are not designated under option (ii). When all Lots within The Properties are sold and conveyed to purchasers, neither the Developer nor

its affiliates shall have further liability of any kind to the Association for the payment of assessments, deficits or contributions.

Section 10. Association Funds. The portion of all regular assessments collected by the Association for reserves for future expenses, and the entire amount of all special and capital assessments, shall be held by the Association and may be invested in interest bearing accounts or in certificates of deposit or other like instruments or accounts available at banks or savings and loan institutions, the deposits of which are insured by an agency of the United States.

Section 11. Transfer Fee. In addition to the periodic assessments, there shall be a recurring non-refundable contribution paid to the Northwest Florida Improvement Foundation, Inc. on the sale of a Lot (and Home, if applicable) within the Property, in the amount of one-half of one percent (.5 %) of the total purchase price of the Lot (with Home, if applicable). This recurring contribution shall be paid by the Developer on the initial transfer of title to each Lot from Developer and thereafter by the Buyer each time a Lot is sold within the Property, at the time of its conveyance to the purchaser of the Lot, and shall be secured and collected in the same manner as Assessments pursuant to Article V of the Declaration.

ARTICLE VI

MAINTENANCE OF HOMES AND LOTS; COMPLETION OF CONSTRUCTION

Section 1. Exteriors of Homes. Each Owner shall maintain all structures (including the Home) located on his Lot in a neat, orderly and attractive manner and consistent with the general appearance of The Properties and as provided in the Design Review Guidelines. The minimum (though not sole) standard for the foregoing shall be consistency with the general appearance of The Properties as initially constructed and otherwise improved by Developer or by any builders who build in accordance with plans approved as set forth in the Design Review Guidelines. Each Owner shall repaint or restrain, as appropriate, the exterior portions of his Home (with the same colors as initially used on the Home, unless otherwise approved by the Design Review Board (as defined below) as often as is necessary to comply with the foregoing standards.

Section 2. Lots. Each Owner shall maintain the trees, shrubbery, grass and other landscaping on his Lot in a neat, orderly and attractive manner and consistent with the general appearance of The Properties as a whole and as required by the Design Review Guidelines. The minimum (though not sole) standard for the foregoing shall be the general appearance of The Properties as initially landscaped by Developer or builders (such standard being subject to being raised by virtue of the natural and orderly growth and maturation of applicable landscaping, as properly trimmed and maintained).

In addition to the foregoing, each Owner shall maintain the area located between the front (and side, in the case of a corner lot) boundary line of his Lot and the edge of the pavement of the adjacent road (including, without limitation, sidewalks, sod, trees, any mailbox and the driveway) to the extent the Association does not affirmatively elect to do so.

Section 3. Remedies for Noncompliance. In the event of the failure of an Owner to maintain his Home or Lot in accordance with this Article, the Association shall have the right, upon at least five (5) days' prior written notice to the Owner at the address last appearing in the records of the Association, to enter upon the Owner's Lot and perform such work as is necessary to bring the Lot or Home, as applicable, into compliance with the standards set forth in this Article. Such work may include, but shall not necessarily be limited to, the cutting/trimming of grass, trees and shrubs; the removal (by spraying or otherwise) of weeds and other vegetation; the resodding or replanting of grass, trees or shrubs; the repainting or restaining of exterior surfaces of a Home; the repair of walls, fences, roofs, doors, windows and other portions of a Home or other structures on a Lot; and such other remedial work as is judged necessary by the applicable entity. The remedies provided for herein shall be cumulative with all other remedies available under this Declaration (including, without limitation, the imposition of fines or special assessments or the filing of legal or equitable actions).

Section 4. Costs of Remedial Work: Surcharges. In the event that the Association performs any remedial work on a Home or Lot pursuant to this Article, the costs and expenses thereof shall be deemed a special assessment under Article V, Section 3 of this Declaration and may be immediately imposed by the Board of Directors. In order to discourage Owners from abandoning certain duties hereunder for the purpose of forcing one of the aforesaid entities to assume same, and, additionally, to reimburse same for administrative expenses incurred, the applicable entity may impose a surcharge of not more than thirty-five percent (35%) of the cost of the applicable remedial work, such surcharge to be a part of the aforesaid special assessment. No bids need be obtained for any of the work performed pursuant to this Article and the person(s) or company performing such work may be selected by the Association in its sole discretion.

Section 5. Right of Entry. There is hereby created an easement in favor of the Association and its applicable designees over each Lot for the purpose of entering onto such Lot in the performance of the work herein described, provided that the notice requirements of this Article are complied with and any such entry is during reasonable hours.

Section 6. Completion Requirement. To the extent that a Home on a Lot is under construction, each Owner shall be responsible for maintaining any unimproved Lot owned by that Owner free of litter and debris and in a "rough mowed" condition, and shall be subject to all terms and conditions of the Design Review Guidelines. "Commencement of Construction" shall be evidenced by complete installation of the footings and pouring of the building slab for the single family residence. Once Commencement of Construction starts, construction shall be diligently and continuously pursued to completion. Construction shall be completed within twelve (12) months from the Commencement of Construction ("Promised Completion Date"). Completion of construction shall be evidenced by issuance by the applicable government agency of a certificate of occupancy or approval of final inspection for the single family residence on the Lot, and installation of all landscaping and related site improvements to the satisfaction of the Design Review Board. If construction is not completed on or before the Promised Completion Date, Owner must pay Developer or its assigns, the sum of One Thousand and No/100 U.S. Dollars (\$1,000.00) per month for each month (or portion thereof) for which completion of construction is delayed, unless such delay is caused by an event, which in the sole discretion of Developer, is beyond Owner's reasonable

control. Said amount shall be paid upon demand in addition to all other remedies available hereunder, and shall be secured in the same manner as assessments pursuant to Article V of the Declaration.

ARTICLE VII

CERTAIN USE RESTRICTIONS

Section 1. Applicability. The provisions of this Article VII shall be applicable to all of The Properties but shall not be applicable to the Developer or any of its designees or Lots or other property owned by the Developer or its designees, except as to the architectural review requirements set forth in Section 10, below and in the Design Review Guidelines.

Section 2. Land Use and Building Type. No Lot shall be used except for residential and reasonable ancillary purposes. No building constructed on a Lot shall be used except for such purposes. Temporary uses by Developer for model homes, sales displays, parking lots, sales offices and other offices, or any one or combination of such uses, shall be permitted until permanent cessation of such uses takes place. No changes may be made in buildings erected by the Developer (except if such changes are made by the Developer) without compliance with the procedures set forth herein and in the Design Review Guidelines and herein.

Section 3. Easements. Easements for installation and maintenance of utilities are reserved as shown on the recorded plats covering The Properties and as provided herein. The area of each Lot covered by an easement and all improvements in the area shall be maintained continuously by the Owner of the Lot, except for installations for which a public authority or utility company is responsible. The appropriate water and sewer authority, electric utility company, telephone company, the Association, and the Developer and its affiliates, and their respective successors and assigns, shall have a perpetual easement for the installation and maintenance, all underground, of water lines, sanitary sewers, storm drains, and electric, telephone and telecommunications lines, cables and conduits, under and through the utility easements as shown on the plats.

Section 4. Nuisances. Nothing shall be done or maintained on any Lot which may be or become an annoyance or nuisance to the neighborhood. Any activity on a Lot which interferes with television, cable or radio reception on another Lot shall be deemed a nuisance and a prohibited activity. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board of Directors of the Association, which shall render a decision in writing, which decision shall be dispositive of such dispute or question. ALL PERSONS ARE REFERRED TO ARTICLE XIII, SECTION 10 HEREOF WITH RESPECT TO CERTAIN ACTIVITIES OF DEVELOPER.

Section 5. Temporary Structures; Gas Tanks; Other Outdoor Equipment. Except as may be approved or used by the Developer during construction and/or sales periods, no structure of a temporary character, or trailer, mobile home or recreational vehicle, shall be permitted on any Lots within The Properties at any time or used at any time as a residence, either temporarily or permanently. No gas tank, gas container or gas cylinder shall be permitted to be placed on or about the outside of any Home or on or about any ancillary building, except for one (1) gas cylinder (not to exceed 20 lbs.

capacity) connected to a barbecue grill and such other tank designed and used for household purposes as shall be approved by the Design Review Board described in Section 10, below. Any outdoor equipment such as, but not limited to, pool pumps and water softening devices shall be completely screened from the view of anyone not standing on the Lot by the use of landscaping or other means (in any event, as approved by the Design Review Board); provided, however, that the use of such screening shall not alter the requirement that the installation of any such equipment nevertheless be approved by the Design Review Board.

Section 6. Signs. Except as provided below, no sign of any kind shall be displayed to the public view on any Lot except for signs used or approved by the Developer and its affiliates and agents during the development, construction and sale of The Properties.

The foregoing shall not prohibit placing usual and customary "for sale" and similar signs on Lots or those used to identify a Builder of a Unit on a Lot, subject to such rules and standards for same as may be adopted by the Design Review Board described below.

The foregoing shall also not prohibit placing numbers representing the street address of a Home on such Home or on the mailbox or mailbox pole serving such home.

Section 7. Private Wells; Oil and Mining Operations. No private water well for irrigation, swimming pool or other purposes shall be permitted within The Properties other than those, if any, used by the Association for the irrigation of Common Areas or other purposes.

No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in The Properties, nor on dedicated areas, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in The Properties. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the land subject to these restrictions. ALL PERSONS ARE REFERRED TO ARTICLE XIII, SECTION 10 WITH RESPECT TO CERTAIN ACTIVITIES OF DEVELOPER.

Section 8. Pets, Livestock and Poultry. No animals, reptiles, wildlife, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose, and provided that they do not become a nuisance or annoyance to any neighbor by reason of barking or otherwise. No dogs or other pets shall be permitted to have excretions on any Common Areas, except areas designated by the Association, if any, for such use and Owners shall be responsible to clean-up any such excretions. For purposes hereof, "household pets" shall mean dogs, cats and other animals expressly permitted by the Association, if any. ALL PETS SHALL BE KEPT ON A LEASH WHEN NOT IN THE APPLICABLE HOME OR A FENCED-IN YARD, IF ANY. Pets shall also be subject to all applicable Rules and Regulations. Nothing contained herein shall prohibit the keeping of fish or domestic (household-type) birds, as long as the latter are kept indoors and do not become a source of annoyance to neighbors.

Section 9. Visibility at Intersections. No obstruction to visibility at street intersections or Common Area intersections shall be permitted; provided that the Association shall not be liable in any manner to any person or entity, including Owners and Members Permittees, for any damages, injuries or deaths arising from any violation of this Section.

Section 10. Design Control. No building, wall, fence or other structure or improvement of any nature including, but not limited to, swimming pools, spas, screen enclosures, patios (or patio extensions), hedges, other landscaping, exterior paint or finish, play structures, awnings, shutters, hurricane protection, basketball hoops, mailboxes, decorative plaques or accessories, birdhouses, other pet houses, swales, asphaltting, sidewalk/driveway surfaces or treatments or other improvements or changes of any kind, even if not permanently affixed to the land or to other improvements) shall be erected, placed or altered on any Lot (including the removal of trees) unless in strict accordance with Design Review Guidelines.

Section 11. Commercial Vehicles, Trucks, Trailers, Campers and Boats. Unless specifically permitted (if at all) by rules adopted by the Board of Directors, no trucks or commercial vehicles, or campers, mobile homes, motorhomes, house trailers or trailers of every other description, recreational vehicles, boats, boat trailers, horse trailers or vans shall be permitted to be parked or to be stored at any place on The Properties, nor in dedicated areas, except in (i) enclosed garages and (ii) spaces for some or all of the above specifically designated by Developer or the Association, if any. For purposes of this Section, "trucks or commercial vehicles" shall mean those which are not designed and used for customary, personal/family purposes or, even if so, those containing attached equipment such as pipe racks, exterior tool boxes (other than in the bed) or the like. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial vehicle. The prohibitions on parking contained in this Section shall not apply to temporary parking of trucks and commercial vehicles, such as for construction use or providing pick-up and delivery and other commercial services, nor to passenger-type vans with windows for personal use which are in acceptable condition in the sole opinion of the Board (which favorable opinion may be changed at any time), nor to any vehicles of the Developer or its affiliates.

All Owners and other occupants of Homes are advised to consult with the Association prior to purchasing, or bringing onto The Properties, any type of vehicle other than a passenger car inasmuch as such other type of vehicle may not be permitted to be kept within The Properties.

Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the Rules and Regulations now or hereafter adopted may be towed by the Association at the sole expense of the owner of such vehicle if such vehicle remains in violation for a period of 24 hours from the time a notice of violation is placed on the vehicle. The Association shall not be liable to the owner of such vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the owner to receive it for any other reason, shall be grounds for relief of any kind. For purposes of this paragraph, "vehicle" shall also mean campers, mobile homes and trailers. An affidavit of the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting.

Section 12. Parking on Common Areas and Lots/Garages. No vehicles of any type shall be parked on any portion of the Common Areas or any portions of a Lot other than its driveway and garage. Parking on road rights of way shall be subject to the regulations, if any, of the Association and/or Walton County.

All Owners and Members Permittees shall use at least one (1) space in their respective garages for the parking of a vehicle. In the event that such a party keeps a boat on a trailer in the party's garage, the other space shall still be used for vehicular parking. Garage doors shall be kept closed at all times except when in actual use and during reasonably limited periods when the garage is being cleaned or other activities are being conducted therefrom which reasonably require the doors to be left open.

Section 13. Garbage and Trash Disposal. No garbage, refuse, trash or rubbish (including materials for recycling) shall be kept out of doors except as permitted by the Association. The requirements from time to time of the applicable governmental authority or other company or association for disposal or collection of waste shall be complied with. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Containers must be rigid plastic, no less than 20 gallons or more than 32 gallons in capacity, and well sealed. Such containers may not be placed out for collection sooner than 24 hours prior to scheduled collection and must be removed within 12 hours of collection.

Section 14. No Drying. No clothing, laundry or wash shall be aired or dried on any portion of The Properties except on a portion of a Lot which is completely screened from the view of all persons other than those on the Lot itself.

Section 15. Waterfront Property. As to all portions of The Properties which have a boundary contiguous to any lake, canal or other body of water, the following additional restrictions and requirements shall be applicable:

(A) No boathouse, dock, wharf or other structure of any kind shall be erected, placed, altered or maintained on the shores of the water body, except that docks may be erected on or adjacent to Plat Lots 39 through 46 provided such improvements are (i) approved by the Design Review Board in its sole discretion or (ii) erected by the Developer or its affiliates, subject to any and all governmental approvals and permits that may be required.

(B) No request for a variance from any coastal construction control line or any dune lake construction control line whatsoever shall be sought with respect to any Lot, except that such variance may be requested (i) by the Developer, (ii) in connection with a dock as provided in subparagraph (A) above, or (iii) for a boardwalk erected on Plat Lots 25-46 provided the boardwalk is approved by the Design Review Board in its sole discretion.

(C) No boat, boat trailer or vehicular parking or use of canal or waterway slope or shore areas shall be allowed, except as permitted by applicable governmental authorities.

(D) No solid or liquid waste, litter or other materials may be discharged into/onto or thrown into/onto any lake or other body of water or the banks thereof.

(E) Each applicable Owner shall maintain his Lot to the line of the water in the adjacent lake or other water body, as such line may change from time to time by virtue of changes in water levels, to the extent such maintenance is not performed by any applicable governmental authority.

(F) No landscaping, fences, structures or other improvements (regardless of whether or not same are permanently attached to the land or to other improvements) shall be placed within any lake maintenance or similar easements around lakes or other bodies of water unless permitted by the entity or entities to which such easement is dedicated, granted or assigned.

(G) No water shall be drawn from any lake, canal or other body of water for irrigation or any other purpose, except by the Association.

WITH RESPECT TO WATER LEVELS AND QUALITY AND OTHER WATER BODY-RELATED MATTERS, ALL PERSONS ARE REFERRED TO ARTICLE XIII, SECTION 11 HEREOF.

Section 16. Home Air Conditioners and Reflective Materials. No air conditioning units may be mounted through windows or walls. No building shall have any aluminum foil placed in any window or glass door or any reflective substance or other materials (except standard window treatments) placed on any glass, except such as may be approved by the Design Review Board for energy conservation purposes.

Section 17. Exterior Antennas. No exterior antennas, satellite dishes or similar equipment shall be permitted on any Lot or improvement thereon unless approved by the Design Review Board, which may approve or prohibit same in its sole discretion; provided that a satellite dish of a twenty-four inch (24") or smaller diameter shall be permitted if same is reasonably screened from view, as determined by the Design Review Board. In no event shall any "ham" radio or similar antenna, if approved at all, exceed thirty-two feet (32') in height.

Section 18. Renewable Resource Devices. Nothing in this Declaration shall be deemed to prohibit the installation of energy devices based on renewable resources (e.g., solar collector panels); provided, however, that same shall be installed only in accordance with the reasonable standards adopted from time to time by the Design Review Board. Such standards shall be reasonably calculated to maintain the aesthetic integrity of The Properties without making the cost of the aforesaid devices prohibitively expensive and shall permit such installations which, by law, cannot be prohibited.

Section 19. Artificial Vegetation. No artificial grass, plants or other artificial vegetation, or rocks used in lieu of sod, shall be placed or maintained upon the exterior portion of any Lot without the prior approval of the Design Review Board.

Section 20. Protected Species. The following restrictions are required by applicable governmental authorities to protect the indicated species:

(a) Beach Mouse

- (1) The area along the Gulf of Mexico waterward of the Coastal Construction Coastal Line/Building Restriction Line ("CCCL/BRL") is habitat for the endangered Choctawhatchee Beach Mouse.
- (2) Alterations and destruction of the foredune area represents the greatest threat to its survival. The Retreat has been designed to protect the habitat of the mouse by limiting development to areas upland of the CCCL/BRL and providing beach walkovers.
- (3) Cats, both house pets and feral, also pose a threat to the mouse. Owners are encouraged not to have cats as pets, but if they do so, keep them indoors at night. Other predators, which are often drawn to developed areas, can be minimized by the use of scavenger-proof trash receptacles as required in The Properties.

(b) Sea Turtle

- (1) The Gulf beachfront supports nesting sea turtles. Artificial lights from residential development visible from the beach can inhibit female turtles from coming ashore and can disorient hatchlings as they crawl to the Gulf. This disorientation could prevent hatchlings from reaching the sea causing dehydration and predation.

Please remember: Any construction activity that disrupts a nesting marine turtle, disrupts and destroys a sea turtle nest, or results in the injury or mortality of a marine turtle may subject the Lot Owner to prosecution under the U.S. Endangered Species Act and Florida Statutes.

- (2) All lighting associated with Homes and other improvements constructed on each Lot shall comply with the following:
 - (i) Lights placed on the seaward side of any Lot shall not be visible from the nesting areas of the beach.
 - (ii) The light source of any reflective surface of the light fixture must not be visible from any point on the nesting beach. Illumination of any area of the nesting beach, either through direct illumination, reflective illumination, or cumulative illumination is prohibited.

- (iii) Completely shielded downlights without interior reflective surfaces are preferred. All proposed fixtures shall be appropriately shielded, louvered, and/or recessed.
- (iv) Fixtures shall be low mounted through the use of low wall mounts.
- (v) Lights proposed for the seaward side of a Lot or Home must incorporate either shielded low pressure sodium lamps or low wattage (i.e., 5W or less) "bug" type bulbs, or extremely low wattage bulbs (e.g, 5W).
- (vi) Lights for purely decorative or accent purposes shall not be used on the seaward side of a Lot or Home and, if proposed for the landward side, shall be limited in number and intensity. The use of uplights is strongly discouraged.
- (vii) Only low intensity lighting shall be utilized in parking areas that are visible from any point on the nesting beach. This lighting shall be set on a base which raises the source of light no higher than 48" off the ground and shall be positioned and shielded such that the point source and any reflective surface of the light fixture is not visible from any point on the nesting beach. The light emanating from such fixtures may not directly or indirectly illuminate the nesting beach.
- (viii) During construction, temporary security lighting during the main portion of the sea turtle nesting season (May 1 - October 31) is strongly discouraged. If utilized, these lights shall be limited to the fewest number necessary. Security lights shall be completely shielded and low-mounted. Low pressure sodium vapor lamps or low wattage yellow "bug" type bulbs shall be utilized. Under no circumstances shall these lights directly or indirectly illuminate any area of the nesting beach.

Section 21. Variances. The Board of Directors of the Association shall have the right and power to grant variances from the provisions of this Article for good cause shown, as determined in the reasonable discretion of the Board. No variance granted as aforesaid shall alter, waive or impair the operation or effect of the provisions of this Article in any instance in which such variance is not granted.

Section 22. Gatehouse Procedures. All Owners shall be responsible for complying with and ensuring that their Members' Permittees and invitees comply with, all procedures adopted for controlling access to and upon The Properties through any gatehouse serving The Properties or any

portion thereof as well as Common Area roadways and other portions of the Common Areas, as such procedures and restrictions are adopted and amended from time to time.

Section 23. [Intentionally Omitted]

Section 24. Additional Rules and Regulations. The Board shall have the authority from time to time to promulgate Rules and Regulations of the Association which are consistent with the terms hereof and which may be modified, in whole or in part, at any time by the Board.

Section 25. Parcel Description. No Lot shall be further subdivided or separated into smaller parcels by any Owner. Declarant shall have the right to modify subdivision plats of the Property if all Owners of parcels which are included within any such modified plat consent to such modification, which consent shall not be unreasonably withheld or delayed.

Section 26. Soliciting. No soliciting will be allowed at any time within the Property.

Section 27. Leasing of Homes. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. Homes may be only leased in their entirety; no single rooms or other fraction or portion of a Home constituting less than the entire dwelling may be leased, nor shall any Home portion thereof be used for operation of a boarding house, "Bed and Breakfast" establishment, or similar accommodation for transient tenants. All leases shall be for an initial term of no less than one (1) month. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the Rules and Regulations. There shall be no subleasing or assignment of any lease unless prior written approval is obtained from the Board of Directors or its designated administrator.

Section 28. Golf Carts. The Board of Directors of the Association shall have the authority to determine whether Golf Carts will be permitted on the Property and, if permitted, promulgate Rules and Regulations governing the use thereof.

ARTICLE VIII
ESTOPPEL CERTIFICATE

No Owner may sell or convey his interest in a Lot unless all sums due the Association are paid in full and an estoppel certificate in recordable form to such effect shall have been received by the Owner. If all such sums shall have been paid, the Association shall deliver such certificate within ten (10) days of a written request therefor. The Owner requesting the certificate may be required by the Association to pay to the Association a reasonable sum to cover the costs of examining records and preparing the certificate.

Owners shall be obligated to deliver the documents originally received from the Developer, containing this and any other declarations and documents, to any grantee of such Owner.

ARTICLE IX **ENFORCEMENT**

Section 1. Compliance by Owners. Every Owner and Member's Permittee shall comply with the restrictions and covenants set forth herein and any and all Rules and Regulations which from time to time may be adopted by the Board of Directors of the Association.

Section 2. Enforcement. Failure of an Owner or his Member's Permittee to comply with such restrictions, covenants or Rules and Regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Association shall have the right to suspend the rights of use of Common Areas (except for legal access) of defaulting Owners. The offending Owner shall be responsible for all costs of enforcement including attorneys' fees actually incurred and court costs.

Section 3. Fines. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner or his Member's Permittees to comply with any covenant, restriction, rule or regulation, provided the following procedures are adhered to:

(A) Notice: The Association shall notify the Owner of the alleged infraction or infractions. Included in the notice shall be the date and time of a special meeting of the Enforcement Committee (as defined below) at which time the Owner shall present reasons why a fine(s) should not be imposed. At least fourteen (14) days' notice of such meeting shall be given.

(b) Enforcement Committee: The Board of Directors may appoint an Enforcement Committee to perform the functions given it under this Section. The Enforcement Committee shall consist of at least three (3) Members who are not officers, directors or employees of the Association or the spouse, parent, child, brother or sister of such an officer, director or employee. The Enforcement Committee may impose fines only upon a majority vote thereof.

(c) Hearing: The alleged non-compliance shall be presented to the Enforcement Committee at a meeting at which it shall hear reasons why a fine(s) should not be imposed. A written decision of the Enforcement Committee shall be submitted to the Owner by not later than twenty-one (21) days after the meeting.

(d) Amounts: The Enforcement Committee (if its findings are made against the Owner) may impose special assessments in the form of fines against the Lot owned by the Owner as follows:

(1) In the case of each violation, a fine not to exceed One Hundred Dollars (\$100.00); provided, however, that

(2) In the case of each violation of a continuing nature, a fine not to exceed Fifty Dollars (\$50.00) per day for each day the violation continues, the aggregate amount of which shall not exceed Twenty-Five Hundred Dollars (\$2,500).

(e) Payment of Fines: Fines shall be paid not later than five (5) days after notice of the imposition or assessment of the penalties.

(f) Collection of Fines: Fines shall be treated as an assessment subject to the provisions for the collection of assessments as set forth herein.

(g) Application of Proceeds: All monies received from fines shall be allocated as directed by the Board of Directors.

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

ARTICLE X

DAMAGE OR DESTRUCTION TO COMMON AREAS

Damage to or destruction of all or any portion of the Common Areas shall be handled in the following manner, notwithstanding any provision in this Declaration to the contrary:

(A) In the event of damage to or destruction of the Common Areas, if the insurance proceeds are sufficient to effect total restoration, then the Association shall cause such portions of the Common Areas to be repaired and reconstructed substantially as it previously existed.

(B) If the insurance proceeds are within Fifty Thousand Dollars (\$50,000.00) or less of being sufficient to effect total restoration of the Common Areas, then the Association shall cause such portions of the Common Areas to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a capital improvement assessment against each of the Owners in equal shares in accordance with the provisions of Article V, of this Declaration.

(C) If the insurance proceeds are insufficient by more than Fifty Thousand Dollars (\$50,000.00) to effect total restoration of the Common Areas, then by

written consent or vote of a majority of each class of the Members, they shall determine, subject to Article III hereof, whether (1) to rebuild and restore the Common Areas in substantially the same manner as they existed prior to damage and to raise the necessary funds over the insurance proceeds by levying capital improvement assessments against all Members, (2) to rebuild and restore in a way which is less expensive than replacing the Common Areas in substantially the same manner as they existed prior to being damaged, or (3) subject to the approval of the Board, to not rebuild and to retain the available insurance proceeds. Anything to the contrary herein notwithstanding, no decision not to rebuild or to rebuild in a manner which would result in a change in the Common Areas shall be effective without the written approval of the Board, which can require rebuilding as it deems appropriate.

(D) Each Member shall be liable to the Association for any damage to the Common Areas not fully covered by collected insurance which may be sustained by reason of the negligence or willful misconduct of any Member or his Member's Permittees. Notwithstanding the foregoing, the Association reserves the right to charge such Member an assessment equal to the increase, if any, in the insurance premium directly attributable to the damage caused by such Member. In the case of joint ownership of a Home, the liability of such Member shall be joint and several. The cost of correcting such damage shall be an assessment against the Member and may be collected as provided herein for the collection of assessments.

ARTICLE XI **INSURANCE**

Section 1. Common Areas. The Association shall keep all improvements, facilities and fixtures located within the Common Areas (other than landscaping and other improvements which are not customarily insured or insurable), insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles and normal exclusions for land, foundations, excavation costs and similar matters), and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property, whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance for and on behalf of itself and all Members. The insurance coverage with respect to the Common Areas shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the assessments made by the Association.

To the extent obtainable at reasonable rates, the insurance policy(ies) maintained by the Association shall contain provisions, or be accompanied by endorsements, for: agreed amount and inflation guard, demolition costs, contingent liability from operation of building laws and increased costs of construction.

All insurance policies shall contain standard mortgagee clauses, if applicable.

The Association shall also maintain flood insurance in an amount equal to the lesser of 100% of the replacement costs of all insurable improvements (if any) within the Common Areas or the maximum amount of coverage available under the National Flood Insurance Program.

Any improvements within a Common Area which is only an easement in favor of the Association shall be insured by the Owner of the Lot over which such easement exists and shall not be the insurance, maintenance, repair or replacement responsibility of the Association except to the extent that any such improvements are damaged by the Association.

Section 2. Replacement or Repair of Property. In the event of damage to or destruction of any portion of the Common Areas, the Association shall repair or replace the same from the insurance proceeds available, subject to the provisions of Article X of this Declaration.

Section 3. Waiver of Subrogation. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Members, Developer and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Section 4. Liability and Other Insurance. The Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, with coverage of at least \$1,000,000.00 (if available at reasonable rates and upon reasonable terms) for any single occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross liability endorsement insuring each Member against liability to each other Member and to the Association and vice versa and coverage for legal liability resulting from lawsuits related to employment contracts shall also be maintained. The Association may also obtain Worker's Compensation insurance and other liability insurance as it may deem desirable, insuring each Member and the Association and its Board of Directors and officers, from liability in connection with the Common Areas, the premiums for which shall be Common Expenses and included in the assessments made against the Members. The Association may also obtain such other insurance as the Board deems appropriate. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion.

The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board or any management company engaged by the Association against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or any committee thereof. At a minimum, however, there shall be blanket fidelity bonding of anyone (compensated or not) who handles or is responsible for funds held or administered by the Association, with the Association to be an obligee thereunder. Such bonding shall cover the maximum funds to be in the hands of the Association or management company during the time the bond is in force. In addition, the fidelity

bond coverage must at least equal the sum of three (3) months' of regular assessments, plus all reserve funds.

ARTICLE XII **MORTGAGEE PROTECTION**

The following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of the Declaration, these added provisions shall control):

(A) The Association shall be required to make available to all Owners and Mortgagees, and to insurers and guarantors of any first Mortgage, for inspection, upon request, during normal business hours or under other reasonable circumstances, current copies of this Declaration (with all amendments) and the Articles, By-Laws and Rules and Regulations and the books and records of the Association. Furthermore, such persons shall be entitled, upon written request, to (i) receive a copy of the Association's financial statement for the immediately preceding fiscal year, (ii) receive notices of and attend the Association meetings, (iii) receive notice from the Association of an alleged default by an Owner in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation or the By-Laws of the Association, which default is not cured within thirty (30) days after the Association learns of such default, and (iv) receive notice of any substantial damage or loss to the Common Areas.

(B) Any holder, insurer or guarantor of a Mortgage on a Home shall have, if first requested in writing, the right to timely written notice of (i) any condemnation or casualty loss affecting a material portion of the Common Areas, (ii) a sixty (60) day delinquency in the payment of the Assessments on a mortgaged Lot, (iii) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and (iv) any proposed action which requires the consent of a specified number of Mortgage holders.

(C) Unless at least 66-2/3% of first Mortgagees (based upon one vote for each Mortgage owned), and the Members holding at least two-thirds (2/3rds) of the votes entitled to be cast by them, have given their prior written approval, neither the Association nor the Owners shall:

(1) by act or omission seek to sell or transfer the Common Areas and any improvements thereon which are owned by the Association (the granting of easements for utilities or for other such purposes consistent with the intended use of such property by the Association or the Declarant or the transfer of the Common Areas to another similar association of the Owners in accordance with the Articles of Incorporation of the Association or dedication of such property to the public shall not be deemed a transfer within the meaning of this clause);

(2) change the basic methods of determining the obligations, assessments, dues or other charges which may be levied against a Lot, except as provided herein with respect to future Lots;

(3) by act or omission, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of The Properties;

(4) fail to maintain fire and extended insurance on insurable portions of the Common Areas as provided herein; or

(5) use hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of the improvements.

ARTICLE XIII **GENERAL PROVISIONS**

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind The Properties, and shall inure to the benefit of and be enforceable by the Association, the Design Review Board, the Design Review Board, the Developer (at all times) and the Owner of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Owners of 75% of all the Lots subject hereto and of 100% of the mortgagees thereof has been recorded, agreeing to revoke said covenants and restrictions; provided, however, that no such agreement to revoke shall be effective unless made and recorded seven (7) years in advance of the effective date of such revocation, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any signatures being obtained.

Section 2. 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 personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be accomplished by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the Lots to enforce any lien created by these covenants; and failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court

order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect.

Section 5. Amendment. In addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges and liens of this Declaration may be amended, changed, deleted or added to at any time and from time to time upon the execution and recordation of an instrument executed by the Developer alone, for so long as it or its affiliates holds title to any Lot affected by this Declaration; or alternatively by approval at a meeting of Owners holding not less than 66 2/3% vote of the entire membership in the Association (as opposed to only those Members represented at a meeting of the Association), provided, that so long as the Developer or its affiliates is the Owner of any Lot affected by this Declaration, the Developer's consent must be obtained if such amendment, in the sole opinion of the Developer, affects its interest. In addition to the foregoing, any amendment to this Declaration which alters the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Common Areas, and must have the prior approval of the applicable governmental authorities.

Section 6. Effective Date. This Declaration shall become effective upon its recordation in the Public Records of Walton County.

Section 7. Conflict. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and By-Laws of the Association and said Articles shall take precedence over the By-Laws.

Section 8. Standards for Consent, Approval, Completion, Other Action and Interpretation. Whenever this Declaration shall require the consent, approval, completion, substantial completion, or other action by the Developer or its affiliates, the Association, or Design Review Board, such consent, approval or action may be withheld in the sole and unfettered discretion of the party requested to give such consent or approval or take such action, and all matters required to be completed or substantially completed by the Developer or its affiliates or the Association shall be deemed so completed or substantially completed when such matters have been completed or substantially completed in the reasonable opinion of the Developer or Association, as appropriate. This Declaration shall be interpreted by the Board of Directors and an opinion of counsel to the Association or the counsel having drafted this Declaration rendered in good faith that a particular interpretation is not unreasonable shall conclusively establish the validity of such interpretation.

Section 9. Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement and the Owners designate hereby the Developer and the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended

to have been created herein. Formal language of grant or reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all of such provisions.

Section 10. Construction Activities. ALL OWNERS, OCCUPANTS AND USERS OF THE PROPERTIES ARE HEREBY PLACED ON NOTICE THAT DEVELOPER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES WILL BE, FROM TIME TO TIME, CONDUCTING, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO THE PROPERTIES. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF THE PROPERTIES, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (i) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (ii) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO THE PROPERTIES WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (iii) THAT DEVELOPER AND THE OTHER AFORESAID PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, (iv) THAT ANY PURCHASE OR USE OF ANY PORTION OF THE PROPERTIES HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING AND (v) THAT THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DEVELOPER TO SELL, CONVEY, LEASE AND/OR ALLOW THE USE OF THE APPLICABLE PORTION OF THE PROPERTIES.

Section 11. Notices and Disclaimers as to Water Bodies. NEITHER DEVELOPER, THE ASSOCIATION, NOR ANY OF THEIR OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF/IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN THE PROPERTIES, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING SAME DOING SO AT THEIR OWN RISK.

ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTIES LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID WATER BODIES SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF,

SUCH PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY HABITAT OR ENTER INTO WATER BODIES WITHIN OR NEARBY THE PROPERTIES AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

Section 12. Proceeds from Sale of Utilities. In the event the Declarant sells and conveys any or all of the utility easements or utility systems, all compensation and other proceeds from such sale and conveyance, if any, shall accrue to Declarant.

Section 13. Covenants Running With The Land. Anything to the contrary herein notwithstanding and without limiting the generality (and subject to the limitations) of Section 1 hereof, it is the intention of all parties affected hereby (and their respective heirs, personal representatives, successors and assigns) that these covenants and restrictions shall run with the land and with title to the properties. Without limiting the generality of Section 4 hereof, if any provision or application of this Declaration would prevent this Declaration from running with the land as aforesaid, such provision and/or application shall be judicially modified, if at all possible, to come as close as possible to the intent of such provision or application and then be enforced in a manner which will allow these covenants and restrictions to so run with the land; but if such provision and/or application cannot be so modified, such provision and/or application shall be unenforceable and considered null and void in order that the paramount goal of the parties (that these covenants and restrictions run with the land as aforesaid) be achieved.

Section 14. Litigation. No judicial or administrative proceedings shall be commenced or prosecuted by the Association unless the same is approved by a vote of the Members holding seventy five percent (75%) of the votes. This section shall not apply, however, to (a) actions brought by the Association to enforce and provisions of this Declaration (including, without limitation, foreclosure of lien), (b) imposition of Assessments as provided herein, (c) proceedings involving challenges, to any taxation, or (d) counter claims brought by the Association in proceedings instituted against it. Notwithstanding the provisions of this Section, this Section shall not be amended unless such Amendment is approved by the Declarant or is approved by the percentage vote pursuant to the same procedures as are necessary to institute proceedings and provided above.

Section 15. Action Without Meeting. Any action required to be taken hereunder by vote or assent of the Members holding a certain percentage of votes may be taken in the absence of a meeting by obtaining the written approval of the requisite percentage of all of the votes of the Association. Any action so approved shall have the same effect as though taken at a meeting of the Members, and such approval shall be duly filed in the minute book of the Association.

ARTICLE XIV

DISCLAIMER OF LIABILITY OF ASSOCIATION

NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BY-LAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE PROPERTIES INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

(A) IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE PROPERTIES HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE PROPERTIES AND THE VALUE THEREOF;

(B) THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF FLORIDA, WALTON COUNTY, AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTIOUS ACTIVITIES; AND

(C) ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS LOT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE PROPERTIES (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS ARTICLE AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS ARTICLE.

AS USED IN THIS ARTICLE, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND

Exhibit A

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- A. ARCHITECTURAL STYLING – Exhibit A
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I. STATEMENT OF PURPOSES & OBJECTIVES

The Developer of "The Retreat", the Declarant, is desirous of an aesthetically pleasing and functionally convenient community and for that purpose has declared and recorded Declaration of Covenants and Restrictions for the Retreat, ("covenants") applicable to all improvements within The Retreat. The Covenants establish The Retreat Home Owners Association (RHOA) and the Design Review Board (DRB) and sets forth its jurisdiction, powers, obligations and rules and regulations under which it will conduct its review of proposed improvements. Statements in this document are intended to condense, amplify, or clarify provisions of the Declaration. In the event of conflicts, the Declaration's provisions will prevail.

The DRB has been established to define and interpret aesthetic standards in The Retreat and examine, approve or disapprove all proposed vertical or horizontal improvements for all residences.

DRB approval must be obtained for, but not limited to: dwellings; garages; any type of outbuilding, decks, terraces, patios, courtyards, sidewalks, driveways, parking areas, swimming pools, greenhouses, walls, fences, docks, bulkheads, exterior lighting; and any exterior changes or limitation, colors of any exterior surface or material.

DRB approval must be obtained for landscaping, cut and fill operations, and drainage, as well as the removal of any existing vegetation.

The development philosophy for The Retreat is rooted in a commitment to design quality ensuring that materials are best used to enhance the natural beauty. In all instances, the Declarant has a strong determination and desire to create a superior living environment for generations to come through the preservation of the natural character of the community.

Presented herein are the Design Guidelines with regard to residential design and landscaping. Our intent is to present the overall design concept of the community and to give your design professionals reasonable parameters in which to work in a creative manner. It is our hope that this manual will inspire and encourage outstanding individually designed residences which, when viewed together, produce an equally outstanding and harmonious community environment.

As The Retreat is developed, we hope that each individual property owner will take an active interest and concern for the quality of our surroundings by designing their own environment with an eye for quality in design, workmanship and materials.

Each stage of activity will be carefully monitored to assure compliance with our philosophy and this manual. We are determined that specific principles and standards

be observed by all owners, as each detail herein has been carefully formulated to assure an attractive environment for all residents. Our commitment to the property

owner is the reason behind these guidelines and the spirit in which all of the professionals associated with creating this community have approached their roles and responsibilities. We encourage property owners to embrace our commitment to excellence and the standards established herein.

II. DESIGN PHILOSOPHY

The Design concept for The Retreat is that buildings should be elegantly scaled and proportioned in form and mass with detailing and color that enhances and embraces the natural setting.

The style and geographic influences endorsed for the architectural character of The Retreat is rooted in the Caribbean Islands with simple forms and materials adorned with rich detailing and color that heeds the natural environment while extending beyond the structural walls of individual residences. The main concern is that The Retreat be wholly harmonious in feeling, with architecture that explores individuality yet is free of impact and is non-competitive visually with its neighbors.

It is summarized with the statement that design considerations extend beyond building walls to include the entire site with exterior material being of a form, texture and color that enhances the natural beauty of The Retreat.

* See Exhibit A for examples

III. DESIGN REVIEW BOARD

A. PURPOSE

The Design Review Board and review process has been established for the purpose of defining aesthetic standards for construction in The Retreat, and for examining, approving or disapproving any and all proposed or modified improvements for building sites.

B. OBJECTIVES

Architectural and design review shall focus on, but not limited to, the following objectives.

1. Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which could cause disruption of natural water courses or scar natural land forms.
2. Ensuring that the location and configuration of the proposed improvements are visually harmonious with the terrain and do not unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape.
3. Ensuring that the architectural design of proposed improvements and their materials and colors visually enhance The Retreat's overall appearance.
4. Ensuring the plans for landscaping provide visually pleasing settings for structures on the same lot and on adjoining or nearby lots, and blend harmoniously with the natural landscape.
5. Ensuring that any proposed improvements comply with the provisions of these guidelines and the covenants and restrictions set forth in the applicable declarations.
6. Promoting building design and construction techniques that respond to energy consumption and environmental quality consideration such as heat loss, air emissions, and run-off water quality.

C. ENFORCEMENT POWERS

1. The DRB reserves the right during construction of the proposed improvements as a part of its approval process, to enter into the lot to inspect the proposed improvements to assure their compliance with the approved plans and specifications.
2. If any proposed improvements shall be made without the approval of the DRB, or are not in compliance with the approved plans and specifications, then owner shall, upon written demand, cause the proposed improvements to be removed or restored within ten (10) days from the date of the written demand to their original conditions, and such owner shall bear all costs and expenses of such restoration or removal, including costs and reasonable attorney's fees of the DRB.
3. If owner has not removed or restored or commenced to remove or restore the unapproved proposed improvements within the period set forth in subparagraph 2 hereof, the DRB shall have the right to institute an action to recover sums due, for damages or to seek injunctive relief to require the owner to cease, remove or restore the unapproved proposed improvements. It is hereby declared that any violation of the requirements, set forth herein may not be adequately compensated by recovery of damages and, accordingly, the DRB, on behalf of the Association, may seek an injunction to restrain a violation or breach or threatened violation or breach.
4. In addition to the foregoing, the DRB may enforce the provisions hereof in accordance with the compliance deposit hereinafter set forth.

All the remedies set forth herein are cumulative. No delay, failure or omission on the part of the DRB in exercising any right, power, or remedy herein provided shall be construed as an acquiescence thereto or a waiver of the right to enforce its rights, powers or remedies. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the DRB, the Association, declarant or any owner on account of any failure to bring any action on account of any violation or breach of the provisions of these Design Guidelines.

5. In all enforcement actions, the prevailing party shall be entitled to be reimbursed for its attorney's fees, prior to or at trial or on appeal and all reasonable court costs.

D. BASIS FOR DECISION

Approval shall be granted or denied by the DRB based upon the standards and guidelines promulgated by the DRB from time-to-time, including:

- 1) Compliance with the provisions of these Design Guidelines;
- 2) The quality of workmanship and materials;
- 3) The harmony of external design with the surrounds;
- 4) The effect of the construction on the appearance from surrounding property; and
- 5) Such other factors, including purely aesthetic considerations, which in the sole opinion of the DRB shall affect the desirability or suitability of the construction.

E. LIMITATIONS OF RESPONSIBILITY

The primary goal of the DRB is to review the application, plans, materials, and samples submitted to determine if the proposed structure conforms in appearance with the Design Guidelines and does not assume responsibility for the following:

1. Structural adequacy, capacity, or safety features of the proposed structure.
2. Soil conditions or erosion requirements.
3. Compliance with all building codes, safety requirements, governmental laws, regulations, or ordinances.
4. Performance or quality of work by any contractor.
5. Any owner making or causing to be made any proposed improvement, agrees and shall be deemed to have agreed, for such owner and his heirs, personal representatives, successors and assigns to hold the DRB, The Retreat Home Owners Association, Inc. and all other owners harmless from any liability, damage of property and from expenses arising from the construction and installation of any proposed improvements or in any way relating to the subject matter of any such reviews, acceptances, inspections, permissions, consents or required approvals, whether given, granted or withheld, and such owner shall be solely responsible for the maintenance, repair and insurance of any proposed

improvement and for assuring that the proposed improvement is in full compliance with all local, state and federal laws, rules and regulations.

F. MEMBERSHIP

The Design Review Board shall be appointed by the Declarant or its assign and shall have the duties and function described in the Declaration. The Design Review Board shall consist of a minimum of three (3) members who need not be members of The Retreat Home Owners Association. The Developer shall appoint at least one (1) architect or building contractor to such Board.

G. ADMINISTRATOR

The DRB may appoint an Administrator to handle the day-to-day responsibilities of processing submissions and coordinating with owners, including the following:

1. Explanation and interpretation of Design Guidelines.
2. Providing pre-design conferences to consider existing data relating to a particular homesite, adjacent, or planned homes, easements, setbacks, etc.
3. Scheduling of all meetings and member notification.
4. Review job progress, schedule DRB inspections, and issue applicable DRB permits and certifications.

H. MEETINGS

The DRB will conduct regular meetings. Special meetings may be called by the Administrator with two days written notification of time, date and place.

Anyone wishing to appear before the DRB in conjunction with the construction application shall notify the DRB Administrator and request to appear. All appearances before the DRB shall be limited to five (5) minutes. Due to the technical nature of the proceedings, it is preferred that the architect make such presentations.

I. MINUTES/NOTIFICATION

All decisions of the DRB will be recorded in minutes taken at DRB meetings. Although owners will not be present at meetings, recorded minutes will be available upon request. Plans and specifications will be retained by the DRB as part of the record. Applicants will be notified within five (5) working days of all decisions by the Board.

J. APPEALS

If an application has been denied, or the approval is subject to conditions which the owner feels are unacceptable, the owner may request a hearing before the Developer.

K. FEES AND BONDS

1. Administration Fee

The DRB requires the payment of an administration fee at the time of application. The fee is non-refundable and should be made payable to "The St. Joe Company" or its assign.

- a. Modifications to existing structures or grounds \$150.00
- b. Single Family Residences \$750.00

2. Compliance Deposit

- a. The DRB requires that each owner submitting plans and specifications for a proposed improvement shall place in escrow with the RHOA a sum of money, which shall be a compliance deposit. The purpose of the compliance deposit is to provide the DRB with funds to complete the proposed improvement in the event that the owner fails to complete construction of the proposed improvements in accordance with the approved plans and specifications, including the approved landscaping or fails to clean up the construction site. In addition, the compliance deposit funds may be used to pay the attorney's fees of the DRB in the event that it is required to obtain the services of an attorney to enforce compliance. The funds constituting the compliance deposit shall be held in a non-interest bearing account.
- b. The amount of the compliance deposit shall be computed as follows:

- (i) Existing structures or grounds: Minimum deposit of One Thousand Dollars (\$1,000) shall be required, but in no event shall the compliance deposit exceed ten percent (10%) of the cost of the proposed improvement or Two Thousand Five Hundred Dollars (\$2,500).
- (ii) New construction: Minimum deposit of Two Thousand Five Hundred (\$2,500) shall be required.

The foregoing amounts shall not constitute a limit on the owner's liability but will be applied against the total cost of enforcement of these provisions including, without limitation, the cost of removal or restoration, construction in accordance with the approved plans and specifications, attorneys fees and court costs.

The DRB has the authority to grant exceptions to the foregoing amounts, on a case-by-case basis, relative to the number of compliance deposits to be on-hand for any one builder.

- c. In the event that the owner does not comply with his obligations hereunder including, without limitation, construction of any unapproved proposed improvement or failure to construct in full accordance with the approved plans and specifications. The DRB shall give the owner written notice of the non-compliance and ten (10) days to cure the non-compliance. If such non-compliance is not cured, the DRB may use the compliance deposit to complete the construction or remove and restore the unapproved proposed improvements or to retain an attorney. Upon a violation as set forth herein, the DRB shall be entitled to retain the entire compliance deposit amount, even if the entire amount is not utilized. Such coverage shall be deemed a penalty for such failure.
- d. In order to determine compliance and completion for disposition of compliance deposit, owner/builder shall contact the DRB for final in-field inspection and provide a County Building Department Certificate of Occupancy (CO).

L. VARIANCES

All variance requests pertaining to DRB approvals must be made in writing to the DRB. Any variances granted shall be considered unique and will not set any precedent for future decisions.

M. ADDITIONAL REQUIREMENTS

These Design Guidelines have been adopted to assist the owners within The Retreat and the DRB in connection with the architectural approval process. These are merely guidelines, and the DRB will have the right to waive any of the requirements, or will have the right to require additional or more stringent requirements.

IV. DESIGN REVIEW PROCEDURES

The following is an outline of the procedures for plan submissions for single-family detached homes. All plans are to be submitted to the DRB for review.

Once approved, applications are valid for one (1) year from date of approval. After one (1) year, applications expire and become invalid. If applicant wishes to proceed with project after date of expiration, he must reapply for new approval. See Design Review Application for new construction.

A. PROFESSIONAL CONSULTANTS

Selection of a Florida registered architect and landscape architect is required.

B. PRELIMINARY PLANS

At the discretion of the applicant, a schematic or design concept may be submitted to the DRB in order to determine suitability of a particular design for The Retreat. Preliminary plan submission is recommended to resolve potential problems before going to the time and expense of contract documents.

Preliminary plans shall include, but are not limited to:

1. Application form.
2. Site plan at 1/8" or other suitable scale showing all trees with a caliper greater than 4 inches (4") at a height greater than 4 feet (4') above grade, all grades, horizontal and vertical improvements with pertinent dimensions, setbacks, easements, etc.
3. Floor plans may be shown on site plan.
4. Key elevations or sketches to define exterior.
5. List of materials or locations of materials.

The DRB will render an opinion as to whether the preliminary submittal would be acceptable. The opinion will be strictly non-binding and will be offered in an effort to save the applicant time and expense.

6. Application Fee.

C. FINAL SUBMISSION

In order to provide a systematic and uniform review of the proposed construction, two (2) sets of architectural plans and specifications signed and sealed by a registered Florida architect are required. Plans and specifications shall be completed and detailed to the point that all significant aspects of construction are clearly identified and understandable by construction professionals.

As a minimum, the drawings shall include:

1. Site Plan

Scale in size appropriate to show detail, but not less than 1" = 20'-0", indicating:

- a. Access street(s) and walkway(s), drives and other exterior improvements, including material and color.
- b. Grading drainage plan, including on-site retention areas.
- c. Fill plan, if any (indicating run-off and tree preservation method).
- d. Culvert(s), location and size and flow direction.
- e. Foundation plan if other than slab-on-grade.
- f. Exterior lighting plan.
- g. Service yards.
- h. Service entry to lot, of water electricity and telephone.
- i. Tree survey showing location and species of trees four inches (4") or larger in diameter at a point four feet (4') above ground.
- j. Building plan to scale, overlaid on tree survey indicating all structures and other improvements to be included in the scheme with an indication of trees to remain and trees to be removed (at the same scale as boundary/tree survey).
- k. Location and identification of special features (e.g., drainage ditch, dune, nearby lake easements, adjacent structures, etc.).
- l. Mechanical equipment showing location and screening details.

m. Location of contractor ID sign and outdoor toilet facility.

2. Floor Plans

In a scale appropriate to show all detail including an exact computation of the square footage stated by floor in the case of multi-floored residences and finished floor elevations.

3. Roof Plans

In size appropriate to show detail.

4. Foundation Plans

In size appropriate to show detail.

5. Elevations

Depicting all four (4) sides, including hidden views.

- a. Existing and finished grade.
- b. Total height dimension.
- c. Exterior treatment to include all materials, door and window fenestration, walls, fences, etc.

6. Typical Wall and Building Sections

Depicting:

- a. Materials.
- b. Roof pitch.
- c. Fences, screens, exterior walls, etc.

7. Details

Depicting:

- a. Design features and other improvements requiring clarifications.
- b. Fascia and trim details.
- c. Doors and windows.

d. Garage doors.

8. **Patios, Decks, Balconies, Verandas, Porches, etc.**

9. **Exterior Lighting**

Details with product photos.

10. **Landscape Plan**

At a scale of site plan, including:

- a. **Boundary:** Indicate all perimeter property lines, setbacks, dedicated easements and north arrow.
- b. **Structures:** Position all structures on the property and indicate the location of all windows, doors and permanent construction elements, which are proposed.
- c. **Perimeter Areas:** Reflect all adjacent site conditions and surrounding roadways, lakes and pertinent features, which may affect the subject property.
- d. **Hardscape:** Indicate all proposed vehicular and pedestrian circulation treatments, swimming pool location and configuration, miscellaneous amenity elements, garden features and permanent site furnishings which may affect the use of the site.
- e. **Utility elements:** Show all air conditioner equipment locations, exposed utility meters, garbage areas, LP gas tank, pool equipment and any service or utility elements which may require landscape treatment or buffer screening.
- f. **Decorative Grading:** Indicate general existing grades and all proposed decorative grading (earth berming) at one foot (1') intervals.
- g. **Existing Vegetation:** Based upon the current tree survey, accurately identify and locate all existing vegetation with a caliper of four inches (4") or greater, which is intended to be removed, remain or be relocated on the site.
- h. **Proposed Vegetation:** Provide a comprehensive landscape layout for all trees, palms, shrubs, ground covers, vines and sod which are proposed throughout the site.

- i. Street Tree Location.
- j. Plant List: Identify all proposed vegetation with a plant list that reflects the scientific and accepted common name, height, spread, caliper, or size at time of installation as well as any necessary remarks which may be required to clearly portray the technical needs for design review, and/or final installation purposes.

D. FINAL STAKEOUT

Concurrent with final submission, the owner or contractor will provide a string stakeout of the lot lines and building lines for review by the DRB, if required. All trees to be removed must be clearly indicated.

E. BUILDING PERMIT

Upon approval by the DRB of the final plans and the stakeout, the owner may then submit to the county or other agencies for a building permit.

F. CONSTRUCTION START

Upon receipt of the DRB approval and the county building permit, the owner may commence with construction. The DRB reserves the right to inspect in the field for compliance during any stage of construction.

G. SURVEY/CERTIFICATE OF OCCUPANCY/COMPLIANCE DEPOSIT

Upon completion of construction, the following will be submitted to the DRB:

- a. Final survey certificate by surveyor.
- b. As-built set of drawings.
- c. Certificate of Occupancy by the county.

Upon certification by the DRB that all improvements have satisfied the Design Guidelines, the DRB will issue a final approval. No residence within The Retreat may be occupied by any person until a final approval is issued by the DRB, and a Certificate of Occupancy is issued by the county. Upon final approval, the DRB will return the compliance deposit as is appropriate.

THE RETREAT
Declarant Design Review Application Form
New Construction

DATE: _____

TO: _____

OWNER: _____

Name _____

Street _____

City _____ State _____ Zip _____

Telephone _____

BUILDER/
CONSTRUCTOR

Name _____

Street _____

City _____ State _____ Zip _____

Telephone _____ FL License # _____

RESIDENTIAL
ARCHITECT

Name _____

Street _____

City _____ State _____ Zip _____

Telephone _____ FL License # _____

LANDSCAPE
ARCHITECT

Name _____

Street _____

City _____ State _____ Zip _____

Telephone _____ FL License # _____

LOT # _____

REVIEW DEPOSIT \$ _____ CHECK NUMBER _____

COMPLIANCE DEPOSIT \$ _____ CHECK NUMBER _____

THE RETREAT
Design Review Application Form
New Construction – Page Two

The application is being submitted for:

Preliminary Review	_____
Final Review	_____
Impervious Lot coverage	_____ %
Air Conditioned Space (First Floor)	_____ sq. ft.
Air Conditioned Space (Second Floor)	_____ sq. ft.
Total Net Sq. Ft.	_____ sq. ft.
Covered Porches/Entries, etc.	_____ sq. ft.
Garage	_____ sq. ft.
Other: _____	_____ sq. ft.
Total Gross Sq. Ft.	_____ sq. ft.

GENERAL INFORMATION:

Lot Dimensions:	_____
Lot Sq. Ft.	_____ Stories _____
Bedrooms	_____ Baths _____
Height from Slab, to top Of roof excl. appendages:	_____
Finished first floor Elevation	_____
Finished Grade Elevation	_____

THE RETREAT
Design Review Application Form
New Construction – Page Three

Exterior Features	Color/Finish	Description
Driveway	_____	_____
Entry Walk	_____	_____
Siding	_____	_____
Trim	_____	_____
Shutters	_____	_____
Windows	_____	_____
Window Trim	_____	_____
Entry Door	_____	_____
Garage Door	_____	_____
Other Doors	_____	_____
Roofing	_____	_____
Fascia	_____	_____
Soffit	_____	_____
Gutters	_____	_____
Chimney	_____	_____
Screening	_____	_____
Walls	_____	_____

The preceding application is submitted for review by the Design Review Board.
 Required design documents are attached.

SUBMITTED BY:

_____ Title

_____ Firm

V. LANDSCAPING STANDARDS

A. INTRODUCTION

The goal of the Design Review Board (DRB) is to provide for the sensitive enhancement of the environment by the encouragement of an on-going planting program, which adheres to a "natural theme". Plant material selections and planting arrangements which reinforce naturalistic settings in keeping with the character of the site will be expected and the use of plant species prescribed in the list at the end of this chapter will be a requirement.

B. SUBMITTAL REQUIREMENTS

To ensure that the unique elements which create the visual appeal of the community are preserved and enhanced, and that any proposed vegetative improvements are kept consistent for the benefit of all, a comprehensive landscape plan and plant list will be required for all proposed home site construction projects. The DRB reserves the right to approve or disapprove any such submission, and may at its sole discretion make suggestions or require modifications which may be appropriate to bring the proposed landscape plan into compliance with the Design Guidelines of The Retreat.

In order to insure a mature, grown-in appearance upon installation, the DRB may require a minimum of five percent (5%) (excluding automatic irrigation system) of the total estimated construction cost and lot value to be applied toward landscaping. At its discretion, the DRB further retains the right to increase landscape expenditures as it sees fit, to a maximum of ten percent (10%) of the said total of house and property. For this reason the protection and retention of existing vegetation during site clearing and construction is mandatory.

The Landscape Plan shall be prepared by a landscape architect, licensed in the state of Florida, or by an experienced landscape designer familiar with the restrictions and limitations of the local coastal environment, and submitted to the DRB. Additionally, an Irrigation Plan, at the same scale as the Landscape Plan, showing the layout of an automatic sprinkler system shall be submitted. Two (2) signed and sealed copies of the landscape documents shall be delivered to the DRB for review and comments. No installation work may commence prior to receipt of written approval by the DRB of the landscape documents.

C. DESIGN REQUIREMENTS

1. Design Intent

The general landscape design theme for The Retreat is intended to be natural and informal, using sufficient plant material to present an established appearance at time of installation. The goal is to have a continuous flow of the landscape from one lot to another between the street and the front of the house, rather than making each lot an autonomous island from lot line to lot line.

2. Street Frontage/Right-of-Way Landscaping

To reinforce the common streetscape design character through the community, each residential property will participate in the creation of a unified street landscape program for the community. The right-of-way portion of each home site, between its front lot-line and the street pavement, shall be landscaped with a mix of at least five of the following plants: Gulf Muhleygrass, Saltmeadow Cordgrass, Sand Cordgrass, Saw Palmetto, Conradina, Woody Goldenrod, Wooly Goldenaster, Adam's Needle, Florida Rosemary. Grass species should comprise approximately seventy-five percent (75%) of the planted area and shall be installed in sizes sufficient to present a mature, grown-in appearance (minimum one-gallon container). The remaining twenty-five percent (25%) shall be a selection placed in a natural, random pattern that mimics nature as best it can.

3. Plant Palette

All home sites at The Retreat are located within the coastal dune scrub ecosystem. Vegetation in this unique and increasingly rare zone owes its form and make-up to its perpetual exposure to the pruning effects of wind and salt spray. Trees and shrubs exposed to the full force of the wind and salt are stunted and their canopies, such as they are, tend to lean down-wind. Only specialized plants which can endure this harsh environment will grow here. The site is blessed with totally native plant species with very few exotic plants found anywhere on the site. The intent is to keep it that way as development proceeds. This means that future landscape installations will be required to utilize strictly native or indigenous plants with exceptions only as specified in this chapter. While there are a number of exotic plants that thrive in this environment, it is the intent of the DRB to restrict all landscape plantings visible from the roads to species that are indigenous to the site. A detailed list of acceptable landscape material is included at the end of this

chapter. Any deviation from this list will only be with written approval of the DRB.

4. Front Yard Landscaping

All front yard plantings visible from the street shall be landscaped with plants from the approved plant palette. Where existing vegetation was preserved, every effort shall be made to landscape adjacent areas with more of the same species to achieve a look of continuity.

Areas enclosed by walls or fences may be planted with adaptable, non-native species provided they are not and will not become visible from the street. Plants such as ligustrums, pindo palms, pittosporums, etc that have the potential to grow above the fence lines are not acceptable. Small areas of turfgrass are also acceptable provided they are enclosed from view.

Should large (six feet tall and taller) plants be desired by an applicant, the use of Sand Live Oak, Sand Pine or Slash Pine, all of which are available in large sizes, is strongly encouraged.

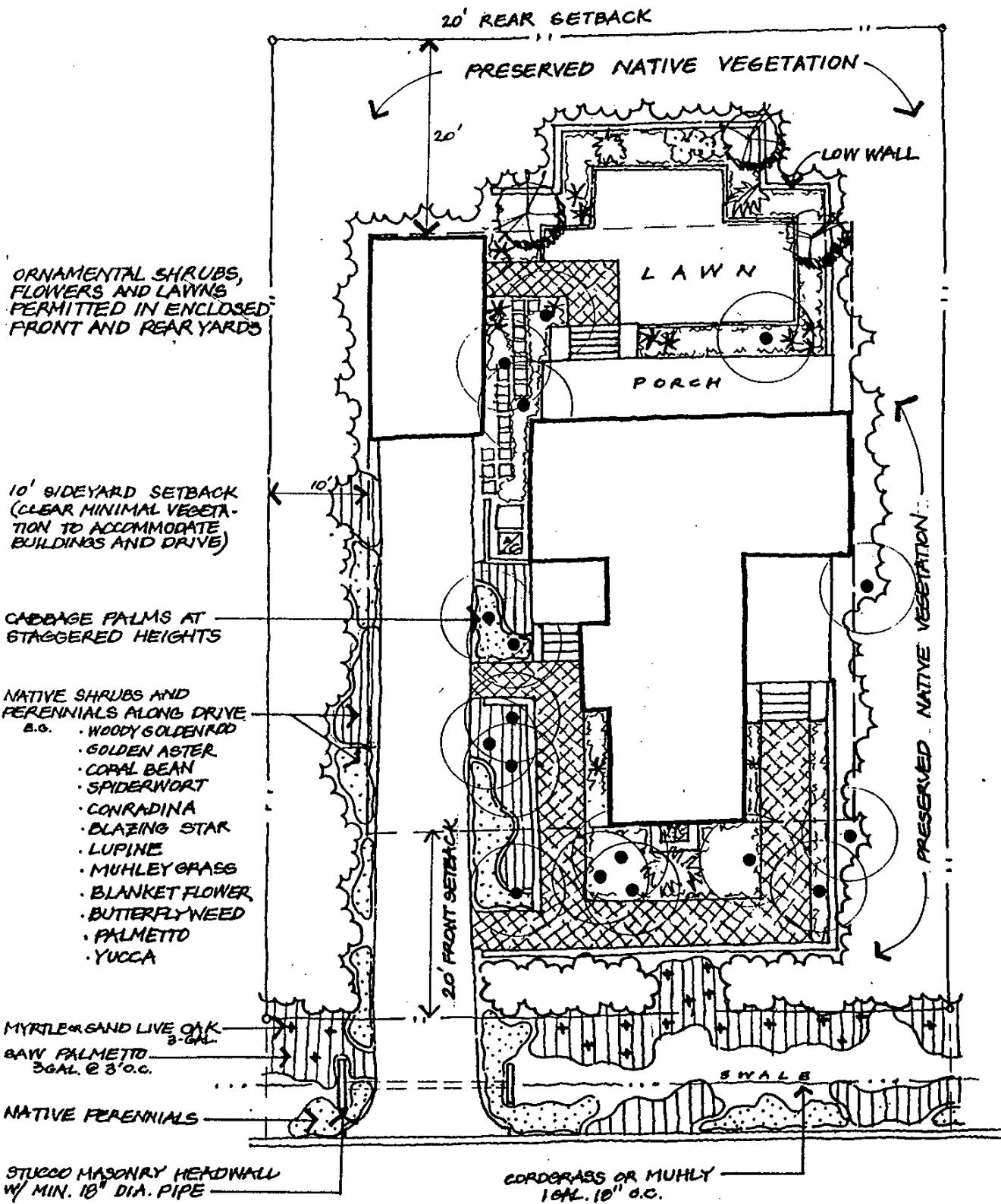
5. Irrigation

All developed homes sites shall be required to have an automatic irrigation system utilizing either domestic potable water or water from a shallow well supplied by the lot owner. Domestic water is the preferred choice, since it does not present the iron staining problems often found with shallow well water.

The required use of native plants is intended to minimize the need for irrigation water throughout the neighborhood. Once initial landscape plantings are established, it is hoped that irrigation systems can essentially be turned off and used only during periods of severe drought.

All street rights-of-way on which each lot fronts will be on an automatic irrigation system operated and maintained by the Retreat Homeowners Association. For soil stabilization purposes, these rights-of-way will be planted and irrigated with various grasses and shrubs and will be maintained as such, until a lot owner begins to develop his lot. At that time, the HOA roadside irrigation heads along the street on which the owner's lot fronts will be capped off and from that time henceforth the lot owner will be responsible for landscaping, irrigating and maintaining that space.

TYPICAL LANDSCAPE PLAN



VI. CONTRACTOR STANDARDS

The following shall apply to any and all construction, improvement, alteration or maintenance of any structure, to any change to the exterior of any structure and to grading, excavating, tree removal, landscaping or any other change to the grounds of a single-family site within The Retreat. In the event a violation of these criteria and guidelines takes place, the construction or work being performed shall cease until conformance is achieved. Infractions of the construction rules may be cause for a \$500.00 fine per infraction and/or suspension of a contractor or subcontractor from the community.

A. BUILDING CONTRACTORS

All builders and general contractors must have all appropriate Florida licenses.

B. START OF CONSTRUCTION

No lot clearing or placement of portable toilets will be permitted until all required governmental permits are obtained and formal written approval of the DRB has been granted.

C. PORTABLE TOILETS

Prior to commencing work, a portable toilet must be placed on the job site and in a manner so as to least disturb other residences and other construction.

D. CONSTRUCTION TRAFFIC

All construction traffic shall access the community through the designated construction entrance. For security purposes, all contractors must register a complete list of their sub-contractors and other employees who are permitted entry into the community with the homeowners association.

No vehicle shall be parked on any lots, other than their specific job site. There will be no washing of any trucks on the streets.

E. CONSTRUCTION HOURS

The construction working hours are currently from 7:30 am to 6:00 PM, Monday through Saturday, except on nationally recognized holidays. These hours are subject to change by the DRB. A 24-hour emergency telephone number must be kept on file at the sales center.

F. SITE CLEAN-UP

All construction sites must be maintained in a neat and orderly fashion. All contractors are required to provide at least one (1) covered trash dumpster for every residence under construction. Dumpsters must be emptied on a regular basis. The builder is responsible for trash that blows off the site and shall retrieve such trash immediately.

No trash shall be stockpiled on the lot. There will be no stockpiling or dumping on adjacent lots or on streets. Contractors will use only the utilities provided on the site on which they are working.

G. CLEARING

Only plants, vegetation and trees directly within the planned structure, roof overhangs, or driveway shall be removed. Any plants, vegetation or trees uprooted or cut down on the job site shall be removed from the job site and from the community as soon as is practical but not later than five (5) working days.

H. CONSTRUCTION DAMAGE

Any damage to streets and curbs, drainage inlets, sidewalks, street lights, street markers, mailboxes, walls, etc., will be repaired by the Declarant or the homeowners association and such costs billed to the responsible contractor.

I. CONSTRUCTION SPILLAGE

Operators of vehicles are required to see that they do not spill any damaging materials while within the community. If spillage of a load occurs, operators are responsible for cleaning it up. Clean-ups done by the association will be billed to the responsible party. Please report any spills as soon as possible.

J. TELEPHONE/CABLE TV LINES

If any telephone, cable television, electrical, water, etc., lines are cut, it is the contractor's responsibility to report the accident to the Declarant within thirty (30) minutes.

K. DRESS

All construction workers will be required to wear clothing compatible with their specific job requirements. Shirts will be worn at all times.

L. CONSTRUCTION SITE APPEARANCE

All personnel working in the community are to keep all of their areas free of discarded materials such as lunch bags and odd materials. Objects should not be thrown out of cars and trucks.

M. NOISE LEVELS

Loud radios or noise will not be allowed within the community. Normal radio levels are acceptable; however, speakers mounted on vehicles or outside of homes under construction are not permitted.

N. VEHICLES AND EQUIPMENT

No vehicles (trucks, vans, cars, etc.) may be left in the community overnight. Construction equipment may be left on the site while needed, but must not be kept on the street, unless prior permission has been granted.

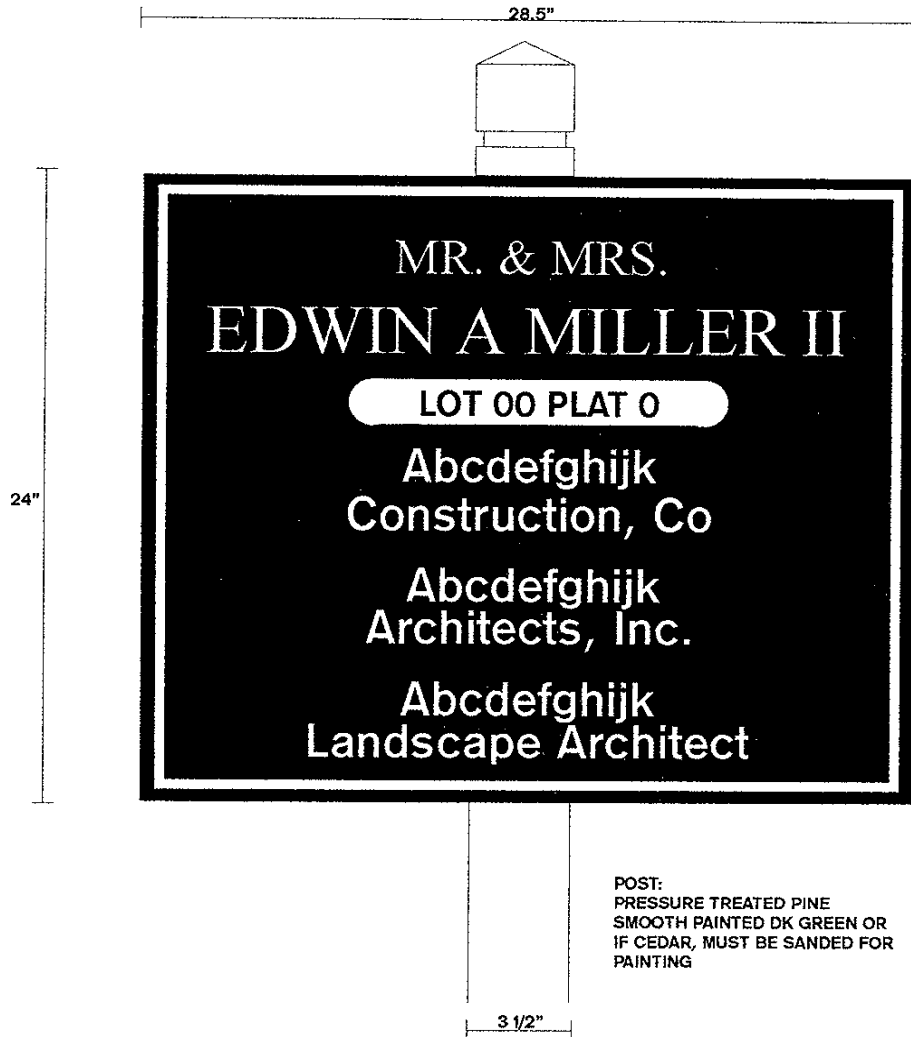
O. PERSONNEL

Only bona fide workers are allowed on the property and are required to exit the property upon completion of their work. Spouses may drive workers to and from the site, but must not remain on the property unless they are actual employees of the sub-contractor. For safety reasons, children will not be permitted on the job site. No alcoholic beverages are permitted on or near the job site. Contractor personnel will not be permitted to bring pets on the property.

P. SIGNAGE

During construction, one (1) approved standard construction sign shall be allowed within the front setback of the lot to assist sub-contractors and others in locating the job site (see page 29).

STANDARD CONSTRUCTION SIGN



INSERT 1/4" WHITE BORDER
1/2" FROM EDGE

1 3/16" WHITE BERKLEY OLDSTYLE MEDIUM

1 5/8" WHITE BERKLEY OLDSTYLE MEDIUM

1 5/8" X 14 7/8" WHITE OVAL WITH
7/8" BLACK HELVETICA COPY

1 3/16" WHITE UPPER AND LOWER CASE
HELVETICA

NOTE: COLOR FOR DK GREEN TO MATCH
PMS # 328

HIGH GLOSS DK GREEN MEDEX BACKGROUND
(WOOD PRODUCT WITH NO GRAIN).
EDGES AND BACK FINISHED
STAINLESS STEEL SCREWS
LETTERS ARE HIGH PERFORMANCE VINYL

POST:
PRESSURE TREATED PINE
SMOOTH PAINTED DK GREEN OR
IF CEDAR, MUST BE SANDED FOR
PAINTING

4' OUT OF
GROUND

VII. BUILDING GUIDELINES & ARCHITECTURAL STANDARDS

1. ACCESSORY STRUCTURES

Gazebos, cabanas and detached garages are permissible where lot sizes warrant. If built, the accessory structures must be located within the required setbacks and match the architectural details of the home to include wall and roof materials and color.

2. BUILDING/ACCESSORY STRUCTURES SETBACKS

The building setbacks and envelope illustrations that follow graphically represent the placement of buildings, garages, decks, patios, walls, fences and hedges, dependent on the lot's location. Where lots vary from the illustrations, due to special factors, the DRB will establish setbacks on these lots in consultation with the owners and/or their architect during the initial review stage.

3. BUILDING HEIGHTS

Maximum building height of residences shall be forty two feet (42') measured from the first floor elevation to the highest point of the roof excluding chimneys, weathervanes, etc. or forty six feet (46') above the average grade of the lot within the building envelope.

Where homes are elevated above existing grade due to topography sloping away from the street or are cut into the existing topography, the maximum height of the structure will be determined in consultation with the owner and/or their architect during the initial review.

Whenever possible, the third floor of any structure shall be tucked into or related to the roof structure with dormers, small roof trusses, etc to diminish the scale of the structure.

4. MAXIMUM BUILDING COVERAGE

A maximum of forty percent (40%) of the lot can be covered by the building. The building shall mean areas contained under the roof, including air-conditioned or non-air conditioned space.

5. SQUARE FOOTAGE & STORIES

All single family structures shall have minimum and maximum square footage as set forth below.

<u>LOT</u>	<u>SQ. FT. MIN</u>	<u>SQ. FT. MAX</u>	<u>GR. FL. OF 2 STORY</u>
Gulf Front			
Single Story	2000 SF	3000 SF	1200 SF
Other		7000 SF	
Lake Front			
Single Story	2000 SF	4000 SF	1200 SF
Other		7000 SF	
Interior			
Single Story	1800 SF	3000 SF	1200 SF
Other		6000 SF	
Conservation			
Single Story	1600 SF	2700 SF	1000 SF
Other		5000 SF	

6. FINISH FLOOR ELEVATIONS

The minimum finished floor (first floor) shall be eighteen inches (18") above the crown of the adjacent roadway or the adjacent natural elevation, whichever is greater. The maximum finished floor elevation of residences shall be forty-eight inches (48") above the crown of the road or the adjacent natural elevation, whichever is greater.

Lots where grade at the building setback is above or below the street elevation by more than twenty-four inches (24") will be reviewed individually based on the design of the residence and the proposed method for off-street parking.

7. SETBACK CRITERIA

General setback requirements shall be as follows:

Side yard setbacks:	10 feet
Front yard setbacks:	20 feet
Rear yard setbacks:	
Gulf front	Coastal Control Line
Lake front	100 feet from lake edge
Interior:	20 feet adjacent property
Conservation:	Building setback per plat

Specific setbacks include:

Lot # 24	20 ft. on North property line adjacent to lot # 25
Lot # 46	7.5 ft. on Northeast property line 10 ft. on West property line for garage, 20 ft for residence
Lot # 57	7.5 ft. on East property line
Lot # 90	7.5 ft. on West property line

Specific garage/drive entries:

From Bermuda Road:

Lots # 58
65
66
71
72

From St. Lucia Road:

Lots # 61
62
68
69
74

Where two lots are joined for a single home, the side setbacks shall be doubled with allowable area increased by 50%.

Corner lots shall be deemed to have front yard setbacks off one street frontage, as defined by the DRB in consultation with owner and/or designer.

Exception: Lots which have exceptional circumstances can apply for a hardship variance with the DRB. Each case will be considered on its individual merits and decisions will not set precedent for cases past, pending or future on other lots. Variances will be granted only if it is proven that the subject property cannot adequately conform to the current setbacks, or if conformance will cause substantial detriment to the community as a whole. Purchasers are cautioned to fully examine their proposed lot for ability to comply with the setback requirements as part of normal due diligence involved with the purchase of real property.

Lots # 6, 7, 19 and 20 will be allowed to attach directly to the dune walk areas with boardwalks provided that the connection is a minimum of eight feet (8'0") land ward of the shelters at the C.C.L., no greater than four feet (4'0") in width, and that the design is compatible with that of the existing crossovers.

8. **EXTERIOR APPEARANCE**

- A. **Walls and Siding:** The architectural design throughout The Retreat will utilize the Caribbean style that allows a combination of masonry (stucco finish) and wood siding. If wood is to be utilized as the major exterior finish, masonry shall be included to reflect the image with walls, fencing, chimneys, etc. Colors will be selected from a range of subtle earth tones with the more vibrant accents used sparingly.

Acceptable materials include stucco, vertical and horizontal wood siding or Hardi Plank or preferably a mix of both.

While stucco banding may be appropriate, the use of keystones and quoins is not permitted.

- B. **Windows:** Wood frame windows are strongly suggested, as is the use of French doors in combination with windows. They should be carefully proportioned to enhance the exterior appearance and interior light quality. While not preferred, vinyl or aluminum clad wood and aluminum windows will be permitted, subject to color approval.

Lightly tinted glass is acceptable, but foil or reflective material is not allowed. Drapery liners of a neutral color are required to provide a consistent exterior appearance. Roof overhangs, awnings and shutters are appropriate sun screening devices with approval of design, material and colors.

- C. **Roofs, Materials and Appurtenances:** The roofs of all residences within the community, while perhaps different in material and color, shall have a similarity of form to provide for a homogeneous character, with all gable and hip roofs having a minimum roof slope of 3/12 and maximum of 8/12.

Roofing less than 3/12 slope is acceptable only in minor areas (not to exceed 15% of roofing area) with primary acceptability in use as a connection to more dominant themes of the roofing mass. All connecting roofs, i.e., garage to main structure or freestanding garage, etc., shall have a roof with material compatible with the main structure.

Roof materials may be chosen from a selection of cedar shakes, cedar shingles, imitation cedar shingle, standing seam metal, corrugated or 5V crimp metal, slate or flat concrete shingles.

Roof overhangs form an integral part of the architectural character of the community and should be maximized wherever possible to provide shelter from both the subtropical sun and rain showers. In many cases, the roof overhangs may incorporate balconies, decks and screened porches.

Roof overhangs shall be a minimum of twenty-four inches (24").

Roof attachments, whether ornamental or functional such as ornamental ridge caps, weather vanes, oversized fireplace flues, etc., are not only permissible but encouraged to give an additional scale of detail to the dwellings.

All roof accessories, such as vent stacks and roof vents shall be either painted to match the roof color, or accentuated to form a statement. Wherever possible, vents shall be located away from the entry elevations. Flashing is recommended to be copper except in the case of metal roofs, where it shall be of the same material.

The use of solar energy producing devices (active and/or passive) and personal satellite dishes are entirely subject to the DRB approval, and in all cases must be completely hidden from view from the street and adjacent properties.

- D. **Chimneys:** Chimneys, along with other projections above roofing surfaces, play a dominant role in depicting the character desired. Chimney dimensions shall be compatible in scale to the structure; however, the minimum size shall be two feet six inches (2'6") by four feet six inches (4'6"). Prefab metal fireplaces, when used, must have coverings for all exposed flue pipes. No direct vent fireplaces will be permitted.
- E. **Doors:** Front doors should make a strong architectural statement. Wood or glass exterior doors are recommended to exceed a height of seven feet (7'). The use of double front entry doors, or doors enhanced by side and /or top window panels are encouraged. Sliding patio doors are not to be utilized where they are visible from the street or used as a front entrance. Garage doors should be solid and be compatible with the exterior wall design and color.
- F. **Shutters:** Louvered shutters are encouraged, but bevel board and panel shutters are acceptable. Louvered shutters can be allowed to tilt from the top or swing open. All shutters must be operable and sized to fit the window, and must be painted wood, or pre-approved authentic-looking materials. Anodized aluminum is acceptable for louvered shutters.

9. DRIVEWAYS

Driveway widths should be a maximum of twelve feet (12'), except in the vehicular parking area or as the drive enters the garage enclosure. Driveway entry from the street should generally be located at least three feet (3') from the side property lines and, where possible, should gracefully curve to the garage entrance.

The maximum driveway width at the intersection of the curb shall not exceed eighteen feet (18') and should have a curved or geometric pattern intersecting with the driveway. This cleared area shall be part of the submission for approval as part of the hardscape drawings on the landscape site plan.

Drive surfaces shall be concrete pavers with rigidly defined parameters. Each drive shall be noted on the site plan for hardscape and landscape design.

10. GARAGES

No garage may be built to contain more than two cars. Garages may be detached from the main residence, but must fall within the allowable building area as defined in the attached building setbacks. In detached garages, homeowners are encouraged to incorporate garage apartments or extra bedrooms into space above garages. Where possible, the volume should be included within the roof structure and enhanced with dormers, balconies, etc.

Carports or covered parking may be accomplished by the use of Pergolas or trellising to match similar elements of the house.

11. WALL/FENCES/HEDGES

Walls constructed between the front and rear building setback, but within the side building setback have a maximum height of six feet (6') above the finished first floor elevation of the house provided such floor elevation does not exceed twenty-four inches (24") above crown of roadway. Where elevations are adjusted above or below the twenty-four inches (24") due to topography within individual lots, wall heights shall be reviewed with the DRB for allowable heights. Pilasters may extend an additional twenty-four inches (24") above wall elevations.

Courtyard walls may extend into all setbacks with approval of the DRB. These walls will be reviewed by the DRB for consistency with individual home design, streetscape of existing residences and to preclude the blocking of views from adjacent properties. It is recommended that these

walls not exceed thirty-six inches (36") and that they be a combination of masonry/stucco with metal or picket infill.

Pool enclosures shall be built in such a way as to not obstruct the views of adjoining property using open aluminum or wrought iron not more than four feet (4'0") off grade.

Hedges are encouraged as alternatives to fencing and should be in a supporting role to the landscape. The height limit of walls would be consistent with hedges, and they should not be the dominant theme of any installation.

12. PORCHES, DECKS, VERANDAS AND BALCONIES

The creative use of wide verandas on the front, sides or rear of the residences is strongly encouraged.

Handrails and/or columns form an integral part of the veranda concept. The handrails and columns should either be stone, wood, painted aluminum or wrought iron (with proper rust prohibitor), and designed to be architecturally compatible with the residence. Columns and handrails must be relatively simple, properly proportioned to the scale and mass of the house and be understated rather than overly ornate and fussy.

Porch or deck enclosures may not be freestanding. If screening is desired, the enclosure must be designed as an integral part of the roof and walls, and not appear as an added appendage.

13. COLORS

Exterior Colors

The general color theme of the Retreat is to utilize the intense and lively colors of the Caribbean Island including the colors of nature (sky, flowers, trees, gulf, sand) and bleach them into fresh but more subtle or muted shades.

Stucco colors shall be warm in nature and lighter than surrounding siding materials with a mat finish. Accent colors may be more brilliant in nature subject to DRB approval. Walls and fences should match the body colors of the main structure.

A sample palette and recommended colors is available for individual review, these palettes will serve as a guide, although other colors and intensities may be appropriate which will be added in consultation with the DRB.

In reviewing exterior colors, the DRB will take into account the combination and intensity of colors selected, their appropriate use, and the palette of surrounding residences. For all color review, sample panels of at least four feet by four feet (4'x 4') of main body materials will be erected on the site.

14. EXTERIOR LIGHTING

Exterior lighting must be provided for safety and security. Recessed or down lighting, and vertical landscape lighting are recommended in lieu of flood lights which is prohibited.

No lighting should be located as to interfere with vehicular traffic or become a nuisance to neighbors by adversely affecting the night time environment of adjacent properties. The DRB will approve all post mounted and building mounted fixtures which are visible from other properties.

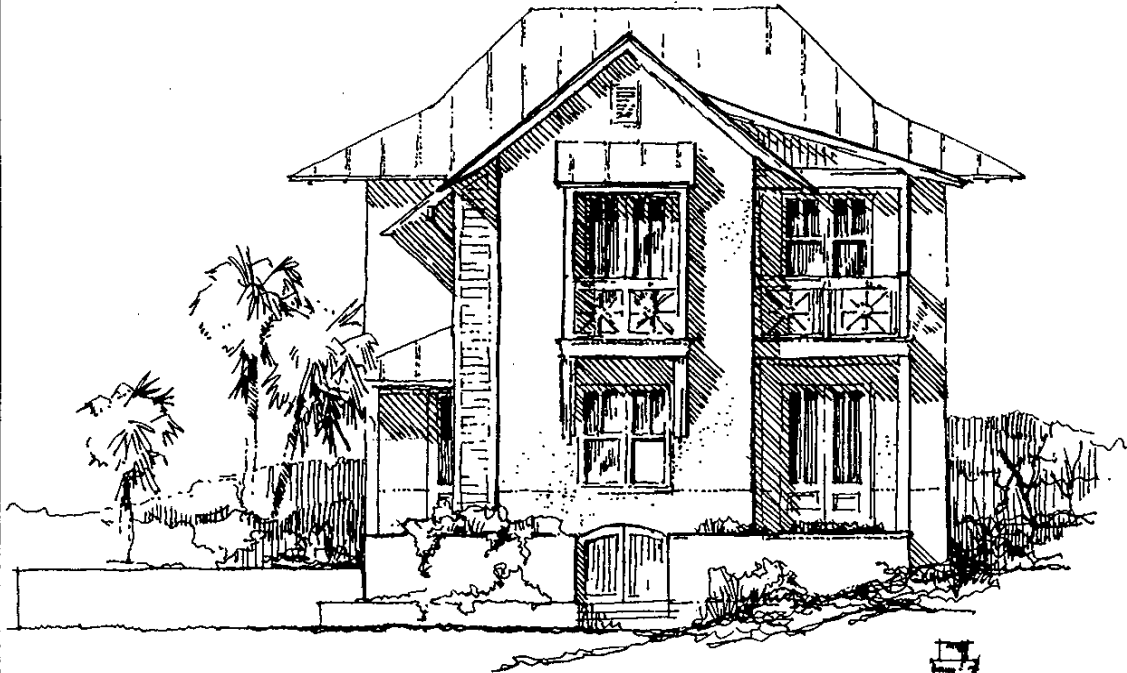
15. GARDENS/GREENHOUSES

Detached greenhouses will be reviewed on a case by case basis. Greenhouses must be designed by a licensed architect and must be located within the fence location area. The DRB will take into account the impact of the structure on neighboring residences and views.

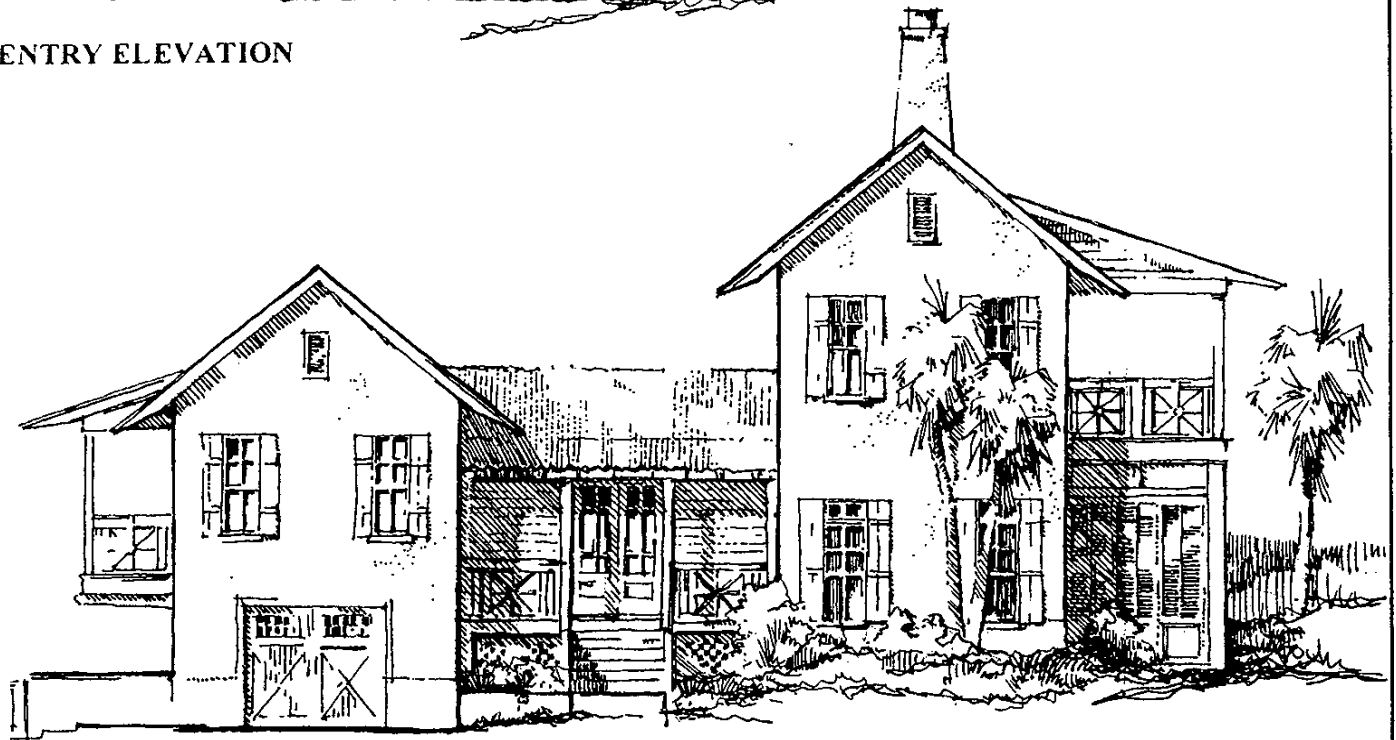
16. DOCKS

Docks are permitted on lots # 39 - # 46, subject to necessary state permitting and DRB approval. Docks shall extend no further than 20' into the water with a maximum width of 4'0". Bench seating on the dock is permissible.

ARCHITECTURAL STYLES & DETAILS



ENTRY ELEVATION



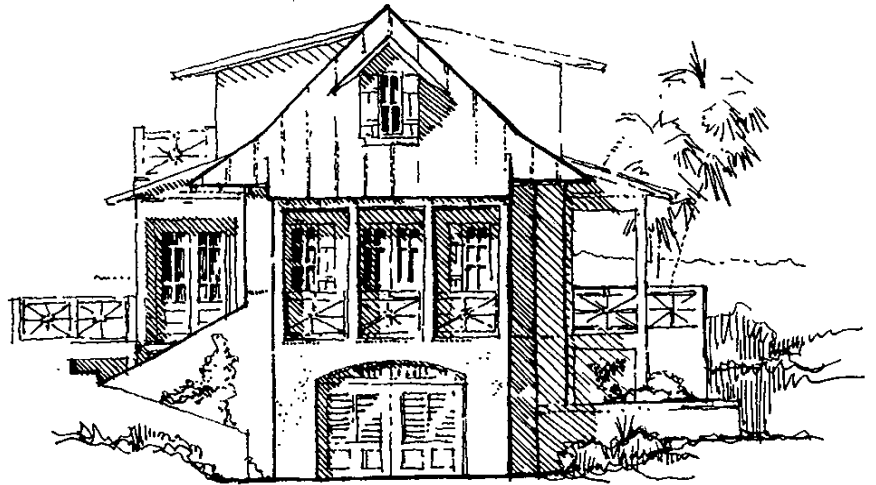
SIDE ELEVATION w/ GARAGE

The following residential designs were prepared for St. Joe/Arvida and The Retreat by:

Christ & Associates
Architects and Planners, P.A.

FL 606976 B 2016 P 86
CO:WALTON ST:FL

ARCHITECTURAL STYLES & DETAILS



GARAGE ELEVATION



SIDE ELEVATION

The following residential designs were prepared for St. Joe/Arvida and The Retreat by:

Christ & Associates
Architects and Planners, P.A.

FL 606976 B 2016 P 87
CO:WALTON ST:FL

EXHIBIT A

ARCHITECTURAL STYLES & DETAILS



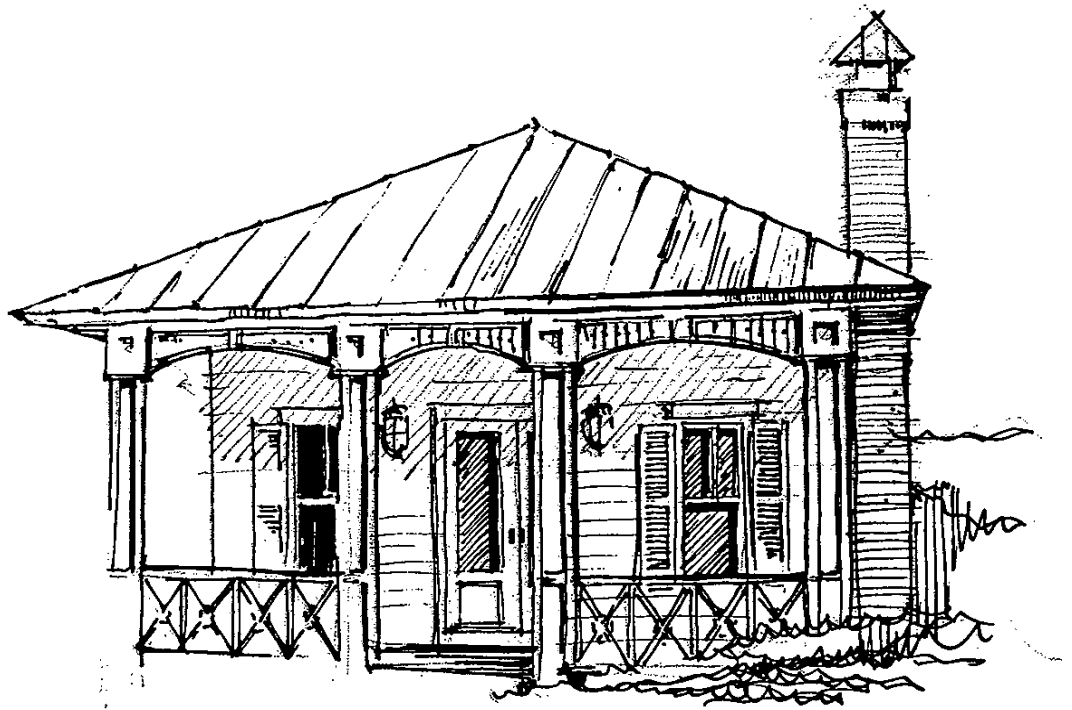
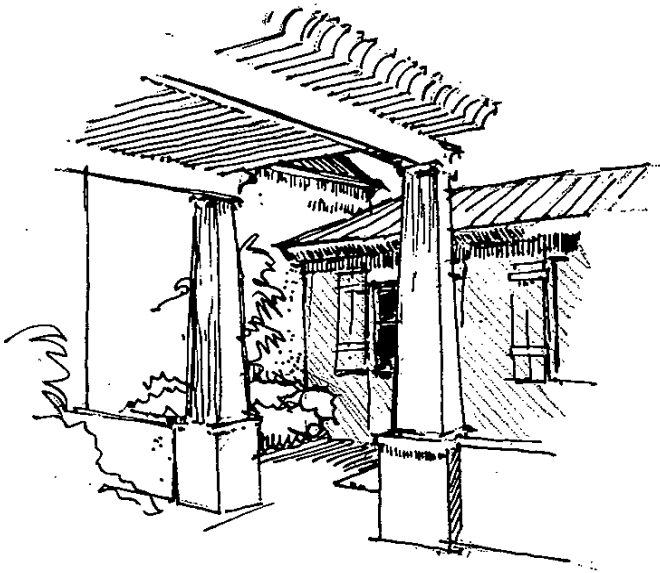
VIEW ELEVATION

The following residential designs were prepared for St. Joe/Arvida and The Retreat by:

Christ & Associates
Architects and Planners, P.A.

FL 606976 B 2016 P 88
CO:WALTON ST:FL

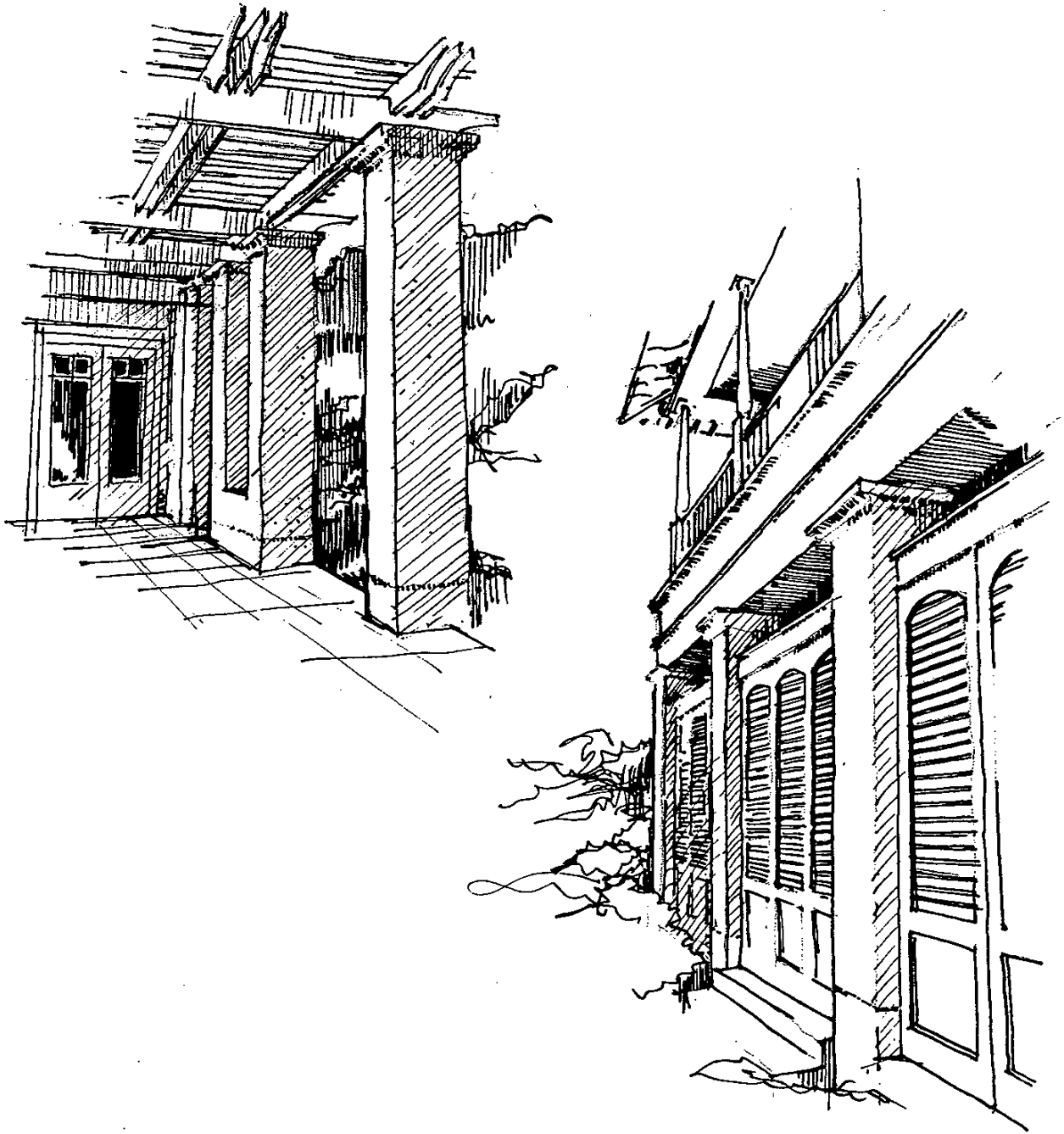
ARCHITECTURAL STYLES & DETAILS



FORMS, GARDENS & ARBORS

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CO:WALTON ST:FL

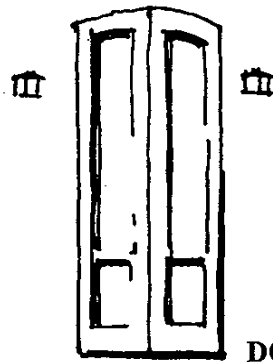
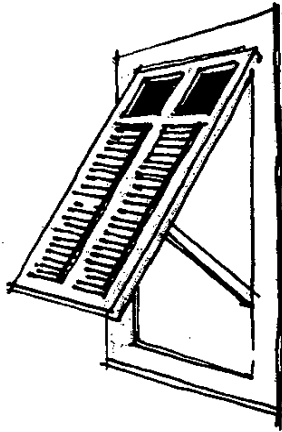
ARCHITECTURAL STYLES & DETAILS



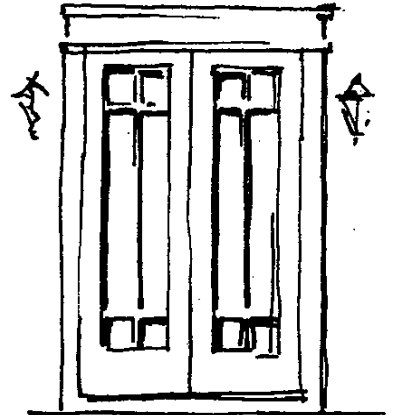
**SIDE YARD GARDEN ENTRANCES
FRONT & SHUTTERED PORCHES**

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CO:WALTON ST:FL

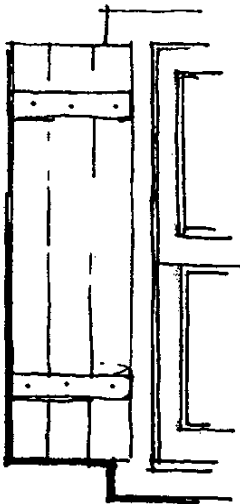
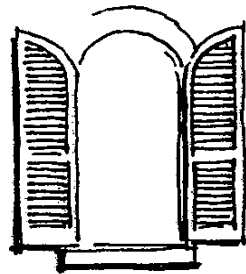
ARCHITECTURAL STYLES & DETAILS



DOORS



SHUTTERS & WINDOWS



TOWERS

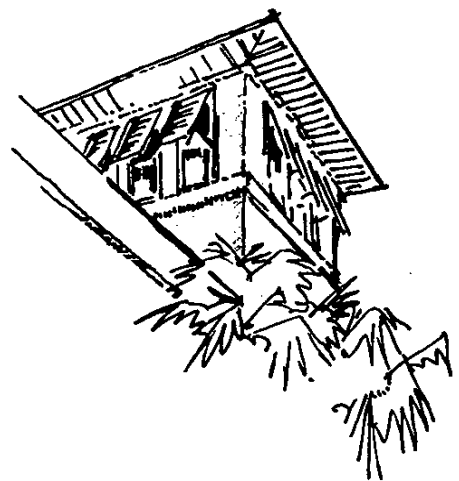


EXHIBIT "B"

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
THE RETREAT OF SOUTH WALTON COUNTY HOMEOWNER'S ASSOCIATION,
INC.**

Pursuant to Chapter 617, Florida Statutes, as amended, and the bylaws (the "Bylaws") of The Retreat of South Walton County Homeowner's Association, Inc. (the "Association"), and the requisite number of Member votes being obtained pursuant to the Bylaws, the Articles of Incorporation of the Association are amended and restated in their entirety as follows:

**ARTICLE I
NAME**

The name of the corporation shall be THE RETREAT OF SOUTH WALTON COUNTY HOMEOWNER'S ASSOCIATION, INC.

**ARTICLE II
PURPOSES AND POWERS**

The objects and purposes of the Association are those objects and purposes as are authorized by the Declaration of Covenants and Restrictions for The Retreat recorded (or to be recorded) in the Public Records of Walton County, Florida, as hereafter amended and/or supplemented from time to time (together, the "Covenants"). The further objects and purposes of the Association are to preserve the values and amenities in The Properties and the land subject to the first aforesaid Covenants.

The Association is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any Member or individual person, firm or corporation.

The Association shall have the power to contract for the management of the Association and to delegate to the party with whom such contract has been entered into (which may be an affiliate of the Developer) the powers and duties of the Association, except those which require specific approval of the Board of Directors or Members.

The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these Articles and the Covenants above identified. The Association shall also have all of the powers necessary to implement the purposes of the Association as set forth in the Covenants.

The definitions set forth in the Declaration of Covenants and Restrictions for The Retreat are incorporated herein by this reference.

**ARTICLE III
MEMBERS**

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

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

Class A. Class A Members shall be all those Members of the Association as defined in Article III, Section 1 with the exception of the Developer (as long as the Class B Membership shall exist, and thereafter, the Developer shall be a Class A Member to the extent it would otherwise qualify). Except as provided below, Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the single vote for such Lot shall be exercised as they among themselves determine, but, subject only as provided in the following sentence, in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B. The Class B Member shall be the Developer. The Class B Member shall be entitled to one (1) vote, plus two (2) votes for each vote entitled to be cast in the aggregate at any time and from time to time by the Class A Members. The Class B membership shall cease and terminate three (3) months after ninety percent (90%) of the Lots within The Properties has been sold and conveyed to Class A Members, or sooner at the election of the Developer. Whereupon the Class A Members shall be obligated to elect the Board and assume control of the Association.

Section 3. Meetings of Members. The By-Laws shall provide for an annual meeting of Members, and may make provisions for regular and special meetings of Members other than the annual meeting as well as the quorum requirements for meetings of members.

Section 4. General Matters. When reference is made herein, or in the Covenants, By-Laws, Rules and Regulations, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members and not of the Members themselves.

ARTICLE IV **CORPORATE EXISTENCE**

The Association shall have perpetual existence.

ARTICLE V **BOARD OF DIRECTORS**

Section 1. Management by Directors. The property, business and affairs of the Association shall be managed by a Board of Directors, which shall consist of not less than three (3) persons, but as many persons as the Board of Directors shall from time to time determine. A majority of the

directors in office shall constitute a quorum for the transaction of business. The By-Laws shall provide for meetings of directors, including an annual meeting.

Section 2. Board of Directors. The names and addresses of the Board of Directors of the Association, who shall hold office until the next annual meeting of Members and thereafter until qualified successors are duly elected and have taken office, shall be as follows:

<u>Name</u>	<u>Address</u>
James Rester	415 Beckrich Road, Suite 350 Panama City Beach, Florida 32407
Lewis Howell	415 Beckrich Road, Suite 350 Panama City Beach, Florida 32407
Wm. Britton Greene	415 Beckrich Road, Suite 350 Panama City Beach, Florida 32407

Section 3. Election of Members of Board of Directors. Except as otherwise provided herein and for the first Board of Directors and their Developer-appointed replacements, directors shall be elected by a plurality vote of the Members of the Association at the annual meeting of the membership as provided by the By-Laws of the Association, and the By-Laws may provide for the method of voting in the election and for removal from office of directors. All directors shall be Members of the Association or shall be authorized representatives, officers, or employees of corporate Members of the Association, or designees of the Developer. Notwithstanding the foregoing, until the time provided below, the Developer shall have the right to appoint the Directors of the Association by written notice to such effect or by an announcement reflected in the minutes of the annual meeting of the Association. Failure to achieve a quorum at the annual meeting shall not effect the validity of an election of directors.

The Class A Members shall have the right to elect a majority of the Board of Directors three (3) months after ninety percent (90%) of the Lots have been sold by the Developer.

Section 4. Duration of Office. Members elected to the Board of Directors shall hold office until the next succeeding annual meeting of Members, and thereafter until qualified successors are duly elected and have taken office.

Section 5. Vacancies. If a director elected by the general membership shall for any reason cease to be a director, the remaining directors so elected may elect a successor to fill the vacancy for the balance of the term.

ARTICLE VI
OFFICERS

Section 1. Officers Provided For. The Association shall have a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time elect.

Section 2. Election and Appointment of Officers. The officers of the Association, in accordance with any applicable provision of the By-Laws, shall be elected by the Board of Directors for terms of one (1) year and thereafter until qualified successors are duly elected and have taken office. The By-Laws may provide for the method of voting in the election, for the removal from office of officers, for filling vacancies and for the duties of the officers. The President shall be a director; other officers may or may not be directors of the Association. If the office of President shall become vacant for any reason, or if the President shall be unable or unavailable to act, the Vice President shall automatically succeed to the office or perform its duties and exercise its powers. If any office shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy.

ARTICLE VII BY-LAWS

The Board of Directors shall adopt By-Laws consistent with these Articles of Incorporation. Such By-Laws may be altered, amended or repealed in the manner set forth in the By-Laws.

ARTICLE VIII AMENDMENTS AND PRIORITIES

Section 1. Amendments to these Articles of Incorporation shall be proposed and approved by the Board of Directors and thereafter submitted to a meeting of the membership of the Association for adoption or rejection (by affirmative vote of 66 2/3% of the Members), all in the manner provided in, and in accordance with the notice provisions of, Fla. Stat. 617.017.

Section 2. In case of any conflict between these Articles of Incorporation and the By-Laws, these Articles shall control; and in case of any conflict between these Articles of Incorporation and the Covenants, the Covenants shall control.

ARTICLE IX INDEMNIFICATION

Section 1. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, employee, officer or agent of the Association, against all expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) it is determined by a court of competent jurisdiction, after all available appeals have been exhausted or not pursued by the proposed indemnity, that he did not act in good faith or that he acted in a manner he believed to be not in or opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court

further determines specifically that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith or did act in a manner which he believed to be not in or opposed to the best interest of the Association, and with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

Section 2. To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 above or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually incurred by him in connection therewith.

Section 3. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of Members or otherwise, both as to action in his official capacity while holding such office or otherwise, and shall continue as to a person who has ceased to be director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 4. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

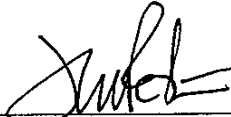
Section 5. The provisions of this Article IX shall not be amended.

ARTICLE X
REGISTERED AGENT; PRINCIPAL OFFICE

Until changed, Jim Godey shall be the registered agent of the Association and the registered office shall be at 415 Beckrich Road, Suite 350, Panama City Beach, Florida 32407.

Until changed, the principal office of the Association shall be 415 Beckrich Road, Suite 350, Panama City Beach, Florida 32407.

IN WITNESS WHEREOF, the foregoing Amended and Restated Articles of Incorporation have been approved this 20th day of May, 1999, by the Board of Directors and by a vote of at least 66 and 2/3% of the Members.



James Rester, President

STATE OF FLORIDA)

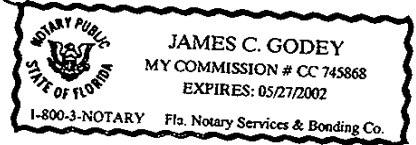
COUNTY OF WALTON) SS:
)

The foregoing instrument was acknowledged before me this 2nd day of May, 1999,
by James M. Rubin who is personally known to me or has produced
_____ as identification and who did not take an oath.

[NOTARY SEAL]



NOTARY PUBLIC, STATE OF FLORIDA

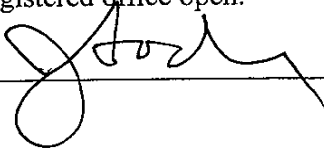


CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN THIS STATE, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED.

In compliance with the laws of Florida, the following is submitted:

That desiring to organize under the laws of the State of Florida with its principal office, as indicated in the foregoing Articles of Incorporation, in the County of Bay, State of Florida, the corporation named in said articles has named Jim Godey located at 415 Beckrich Road, Suite 350, Panama City Beach, Florida 32407 as its statutory registered agent.

Having been named the statutory agent of the above corporation at the place designated in this certificate, I hereby accept the same and agree to act in this capacity, and agree to comply with the provisions of Florida law relative to keeping the registered office open.



Dated this 28 day of May,
1999.

EXHIBIT "C"

AMENDED RESTATED BY-LAWS OF

**THE RETREAT OF SOUTH WALTON COUNTY HOMEOWNER'S ASSOCIATION,
INC.**

*A corporation not for profit organized
under the laws of the State of Florida*

1. **Identity.** These are the Amended and Restated By-Laws of THE RETREAT OF SOUTH WALTON COUNTY HOMEOWNER'S ASSOCIATION, INC. (the "Association"), a corporation not for profit incorporated under the laws of the State of Florida, and organized for the purpose of administering that certain DECLARATION OF COVENANTS AND RESTRICTIONS FOR THE RETREAT (the "Declaration") as well as the properties made subject thereto ("The Properties").
 - 1.1 **Principal Office.** The principal office of the Association shall be as provided in its Articles of Incorporation, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept at its principal office or in the office of any manager engaged by the Association.
 - 1.2 **Fiscal Year.** The fiscal year of the Association shall be the calendar year.
 - 1.3 **Seal.** The seal of the Association shall bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation.
2. **Definitions.** For convenience, these By-Laws shall be referred to as the "By-Laws" and the Articles of Incorporation of the Association as the "Articles". The other terms used in these By-Laws shall have the same definitions and meanings as those set forth in the Declaration, unless herein provided to the contrary or unless the context otherwise requires.
3. **Members.**
 - 3.1 **Annual Meeting.** The annual Members' meeting shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than twelve (12) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors and to transact any other business authorized to be transacted by the Members, or as stated in the notice of the meeting sent to Members in advance thereof. Unless changed by the Board of Directors, the first annual meeting shall be held in the month of November following the year in which the Declaration is recorded.

- 3.2 Special Meetings. Special Members' meetings shall be held at such places as provided herein for annual meetings, and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the President or Secretary upon receipt of a written request from a majority of the Members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting.
- 3.3 Notice of Meeting; Waiver of Notice. Notice of a meeting of Members, stating the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary. The notice of the annual meeting shall be sent by mail or hand delivery to each Member, unless the Member waives in writing the right to receive notice of the annual meeting by mail. The delivery or mailing shall be to the address of the Member as it appears on the roster of Members. The posting and mailing of the notice shall be effected not less than fourteen (14) days, nor more than sixty (60) days, prior to the date of the meeting.

Notice of specific meetings may be waived before or after the meeting and the attendance of any Member (or person authorized to vote for such Member) shall constitute such Member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting, at the beginning of the meeting, to the transaction of business because the meeting is not lawfully called.

An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with this Section. No other proof of notice of a meeting shall be required.

- 3.4 Quorum. A quorum at Members' meetings shall be attained by the presence, either in person or by proxy, of persons entitled to cast in excess of 33 1/3% of the votes of Members in the Association.

3.5 Voting.

- (a) Number of Votes. In any meeting of Members, the Members shall be entitled to cast one vote for each Lot owned, except as provided in the Declaration and/or Articles with respects to the Class B Member. The vote of a Lot shall not be divisible.
- (b) Majority Vote. The acts approved by a majority of the votes, except in the case of the election of directors which shall be by plurality vote, present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Members for all purposes, except where otherwise provided by law, the Declaration, the Articles or these By-Laws. As used in these By-Laws, the Articles or the Declaration, the term "majority of the

Members" shall mean a majority of the votes of Members and not a majority of the Members themselves and shall further mean more than 50% of the then total authorized votes present in person or by proxy and voting at any meeting of the Members at which a quorum shall have been attained. Similarly, if some greater percentage of Members is required herein or in the Declaration or Articles, it shall mean such greater percentage of the votes of Members and not of the Members themselves.

- (c) Voting Member. If a Lot is owned by one person, his right to vote shall be established by the roster of Members. If a Lot is owned by more than one person, those persons (including husbands and wives) shall decide among themselves as to who shall cast the vote of the Lot. In the event that those persons cannot so decide, no vote shall be cast. A person casting a vote for a Lot shall be presumed to have the authority to do so unless the President or the Board of Directors is otherwise notified. If a Lot is owned by a corporation, partnership, trust or other entity, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by a person entitled to execute a conveyance of the entity's property and filed with the Secretary of the Association. Such person need not be a Member. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Lot concerned. A certificate designating the person entitled to cast the vote for a Lot may be revoked by any record Member of an undivided interest in the Lot. If a certificate designating the person entitled to cast the vote for a Lot for which such certificate is required is not on file or has been revoked, the vote attributable to such Lot shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed.

- 3.6 Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote, but shall only be valid for the specific meeting for which originally given and any lawful adjourned meetings thereof. Every proxy shall be revocable at any time at the pleasure of the person executing it. A proxy must be in writing, signed by the person authorized to cast the vote for the Lot (as above described), name the person(s) voting by proxy and the person authorized to vote for such person(s), state the date, time and place of the meeting for which it is given and filed with the Secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned. Any limited proxy shall set forth the matters on which the proxy holder may vote and the manner in which the vote is to be cast.

- 3.7 Adjourned Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Except as required above, proxies given for the

adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.

3.8 Order of Business. If a quorum has been attained, the order of business at annual Members' meetings, and, if applicable, at other Members' meetings, shall be:

- (a) Call to order by President;
- (b) Appointment by the President of a chairman of the meeting (who need not be a Member or a director);
- (c) Proof of notice of the meeting or waiver of notice;
- (d) Reading of minutes;
- (e) Reports of officers;
- (f) Reports of committees;
- (g) Appointment of inspectors of election;
- (h) Election of Directors;
- (i) Unfinished business;
- (j) New business;
- (k) Adjournment.

Such order may be waived in whole or in part by direction of the chairman.

3.9 Minutes of Meeting. The minutes of all meetings of Members shall be kept in a book available for inspection by Members or their authorized representatives and Board Members at any reasonable time.

3.10 Action Without A Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of Members, or any action which may be taken at any annual or special meeting of such Members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the Members (or persons authorized to cast the vote of any such Members as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of Members at which a quorum of Members (or authorized persons) entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent,

notice must be given to Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

4. Directors.

4.1 Membership. The affairs of the Association shall be governed by a Board of not less than three (3) but no more than seven (7) Directors, the exact number to be determined in the first instance in the Articles, and, thereafter, by the Board of Directors.

4.2 Vacancies and Removal.

- (a) Except as to vacancies resulting from removal of Directors by Members, vacancies in the Board of Directors occurring between annual meetings of Members shall be filled by the remaining Directors, provided that all vacancies in directorships to which Directors were appointed by the Developer shall be filled by the Developer without the necessity of any meeting.
- (b) Any Director elected by the Members other than the Developer may be removed by concurrence of a majority of the votes of the Members at a special meeting of Members called for that purpose or by written agreement signed by a majority of the Owners of all Lots. The vacancy in the Board of Directors so created shall be filled by the Members at the same meeting, or by the Board of Directors, in the case of removal by a written agreement unless said agreement also designates a new Director to take the place of the one removed.
- (c) Anything to the contrary herein notwithstanding, until a majority of the Directors are elected by the Members other than the Developer, neither the first Directors of the Association, nor any Directors replacing them, nor any Directors named by the Developer, shall be subject to removal by Members other than the Developer. The first Directors and Developer-appointed Directors replacing them may be removed and replaced by the Developer without the necessity of any meeting.
- (d) If a vacancy on the Board of Directors results in the inability to obtain a quorum of Directors in accordance with these By-Laws, any Member may apply to the Circuit Court for the jurisdiction in which The Properties exist for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the Circuit Court, the applying Member shall mail to the Association a notice describing the intended action and giving the Association an opportunity to fill the vacancy(ies) in accordance with these By-Laws. If, during such time, the Association fails to fill the vacancy(ies), the Member may proceed with the petition. If a

receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all powers and duties of a duly constituted Board of Directors, and shall serve until the Association fills the vacancy(ies) on the Board sufficient to constitute a quorum in accordance with these By-Laws.

- 4.3 Term. Except as provided herein or in the Articles to the contrary, the term of each Director's service shall extend until the next annual meeting of the Members and subsequently until his successor is duly elected and has taken office, or until he resigns or is removed in the manner elsewhere provided.
- 4.4 Organizational Meeting. The organizational meeting of newly-elected or appointed Directors shall be held within ten (10) days of their election or appointment at such place and time as shall be fixed by the Directors at the meeting at which they were elected or appointed, and no further notice to the Board of the organizational meeting shall be necessary.
- 4.5 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, and shall be transmitted at least two (2) days prior to the meeting.
- 4.6 Special Meetings. Special meetings of the Directors may be called by the President, and must be called by the President or Secretary at the written request of at least two (2) of the Directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than two (2) days prior to the meeting.
- 4.7 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said Director of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, except when his attendance is for the express purpose of objecting, at the beginning of the meeting, to the transaction of business because the meeting is not lawfully called.
- 4.8 Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is specifically required by the Declaration, the Articles or these By-Laws.
- 4.9 Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled

meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

- 4.10 Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the approval of that Director of the business conducted at the meeting, but such joinder shall not allow the applicable Director to be counted as being present for purposes of quorum.
- 4.11 Presiding Officer. The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside).
- 4.12 Order of Business. If a quorum has been attained, the order of business at Directors' meetings shall be:
- (a) Proof of due notice of meeting;
 - (b) Reading and disposal or any unapproved minutes;
 - (c) Reports of officers and committees;
 - (d) Election of officers;
 - (e) Unfinished business;
 - (f) New business;
 - (g) Adjournment.

Such order may be waived in whole or in part by direction of the presiding officer.

- 4.13 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Members, or their authorized representatives, and Board Members at any reasonable time.
- 4.14 Executive Committee; Other Committees. The Board of Directors may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more Members of the Board of Directors. Such Executive Committee shall have and may exercise all of the powers of the Board of Directors in management of the business and affairs of the Association during the period between the meetings of the Board of Directors insofar as may be permitted by law, except that the Executive Committee shall not have the power (a) to determine the level of assessments required for the affairs of the Association, (b) to adopt or amend any Rules and

Regulations covering the details of the operation and use of The Properties, or (c) to exercise any of the powers set forth in paragraphs (f) and (o) of Section 5 below. The Board may by resolution also create other committees and appoint persons to such committees and invest in such committees such powers and responsibilities as the Board shall deem advisable. In the event the Board does not appoint a Design Review Board as provided in the Declaration, then the Board itself shall perform such functions.

5. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may take all acts, through the proper officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles or these By-Laws may not be delegated to the Board of Directors by the Members. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:
- (a) Operating and maintaining the Common Easements.
 - (b) Determining the expenses required for the operation of the Common Easements and the Association.
 - (c) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Easements and the Association.
 - (d) Adopting and amending Rules and Regulations concerning the details of the operation and use of The Properties.
 - (e) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor.
 - (f) Purchasing, leasing or otherwise acquiring Lots or other property in the name of the Association, or its designee.
 - (g) Purchasing Lots at foreclosure or other judicial sales, in the name of the Association or its designee.
 - (h) Selling, leasing, mortgaging or otherwise dealing with Lots acquired, and subleasing Lots leased, by the Association, or its designee.
 - (i) Organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Lots or other property.
 - (j) Obtaining and reviewing insurance for The Properties and the Association.

- (k) Making repairs, additions and improvements to, or alterations of, The Properties, and repairs to and restoration of The Properties in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise.
- (l) Enforcing obligations of the Members, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of The Properties and the Association.
- (m) Levying fines against appropriate Owners for violations of the Declaration or of the Rules and Regulations established by the Association to govern the conduct of such Owners and others.
- (n) Purchasing or leasing Lots for use by resident superintendents and other similar persons.
- (o) Borrowing money when required in connection with the operation, care, upkeep and maintenance of the Common Easements or the acquisition of property, and granting mortgages on and/or security interests in Association owned property; provided, however, that the consent of the Owners of at least two-thirds (2/3rds) of the Lots represented at a meeting at which a quorum has been attained in accordance with the provisions of these By-Laws shall be required for the borrowing of any sum which would cause the total outstanding indebtedness of the Association to exceed \$10,000.00. If any sum borrowed pursuant to the authority contained in this subparagraph (o) is not repaid by the Association, an Owner who pays to the creditor such portion thereof as his interest in his Common Easements bears to the interest of all the Unit Members in the Common Easements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against, or which will affect, such Member's Lot; provided always, however, the Association shall take no action authorized in this paragraph without the prior written consent of the Developer as long as the Developer owns any Lot.
- (p) Contracting with a manager for the management and maintenance of The Properties and the Association and/or authorizing a management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair, and replacement of the Common Easements, Lots and Units with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration, the Articles and

these By-Laws including, but not limited to, the making of assessments, promulgation of rules and execution of contracts on behalf of the Association.

- (q) At its discretion, authorizing Owners or other persons to use portions of the Common Easements for private parties and gatherings and imposing reasonable charges for such private use.
- (r) Exercising (i) all powers specifically set forth in the Declaration, the Articles and these By-Laws (ii) all powers incidental thereto, and (iii) all other powers of a Florida corporation not for profit.
- (s) Contracting with and creating or joining in the creation of special taxing districts, joint councils and the like.

6. Officers.

- 6.1 Executive Officers. The executive officers of the Association shall be a President, a Vice-President, a Treasurer and a Secretary (none of whom other than the President need be Directors), all of whom shall be elected by the Board of Directors and who may be peremptorily removed at any meeting by concurrence of a majority of all of the Directors. A person may hold more than one office, except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association.
- 6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an association.
- 6.3 Vice-President. The Vice-President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of the vice president of an association and as may be required by the Directors or the President.
- 6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Members. He shall attend to the giving of all notices to the Members and Directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.

- 6.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He shall submit a treasurer's report to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of treasurer and as may be required by the Directors or the President. All monies and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Directors.
- 6.6 Manager. Any of the foregoing functions of the Secretary or Treasurer may also be performed by a manager engaged by the Association (which may be an affiliate of the Developer), provided that (i) the Secretary or Treasurer, as appropriate, shall oversee the performance of such functions and (ii) no manager may execute any documents as, or in the name of, the Secretary or Treasurer.
7. Compensation. Neither Directors nor officers shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or officer as an employee of the Association, nor preclude contracting with a Director or officer for the management of The Properties or for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all actual and proper out of pocket expenses relating to the proper discharge of their respective duties.
8. Resignations. Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Lots owned by any Director or officer (other than appointees of the Developer or officers or directors who were not Owners) shall constitute a written resignation of such person.
9. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:
- 9.1 Budget. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association (which shall detail all accounts and items of expense the Board finds to be appropriate), determine the amount of assessments payable by the Owners to meet the expenses of the Association and allocate and assess such expenses among the Owners in accordance with the provisions of the Declaration. In addition to annual operating expenses, the budget may include reserve accounts for capital expenditures and deferred maintenance.

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- 9.2 Assessments. Assessments against Lots for their share of the items of the budget shall be made for the applicable fiscal year annually at least twenty (20) days preceding the year for which the assessments are made. Such assessments shall be due in January (or each quarter at the election of the Board) of the year for which the assessments are made. If annual assessments are not made as required, assessments shall be presumed to have been made in the amount of the last prior assessments, and monthly (or quarterly) installments on such assessments shall be due upon each installment payment date until changed by amended assessments. In the event the annual assessments prove to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which amended assessments are made shall be payable in as many equal installments as there are full months (or quarters) of the fiscal year left as of the date of such amended assessments, each such monthly (or quarterly) installment to be paid on the first day of the month (or quarter), commencing the first day of the next ensuing month (or quarter). If only a partial month (or quarter) remains, the amended assessments shall be paid with the next regular installment in the following year, unless otherwise directed by the Board in its resolution.
- 9.3 Assessments for Emergencies. Assessments for expenses for emergencies that cannot be paid from the annual assessments shall be levied in accordance with the Declaration and shall be due only after ten (10) days' notice is given to the Members concerned, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of such Assessments.
- 9.4 Depository. The depository of the Association shall be such bank or banks in the State of Florida as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from those accounts shall be made only by checks signed by such person or persons as are authorized by the Directors. All sums collected by the Association from assessments or otherwise may be commingled in a single fund or divided into more than one fund, as determined by a majority of the Board of Directors. In addition, a separate reserve account may be established for the Association in such a depository for monies specifically designated as reserves for capital expenditures and/or deferred maintenance.
- 9.5 Acceleration of Installments Upon Default. If a Member shall be in default in the payment of an installment of his assessments, the Board of Directors may accelerate the next twelve (12) months' of the assessments as provided in the Declaration.
- 9.6 Fidelity Bonds. Fidelity bonds may be obtained by the Association for all persons handling or responsible for Association funds in such amounts as shall be determined by a majority of the Board. The premiums on such bonds shall be paid by the Association as a common expense.

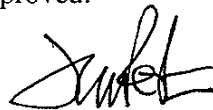
- 9.7 Accounting Records and Reports. The Association shall maintain accounting records in the State according to accounting practices normally used by similar associations. The records shall be open to inspection by Members or their authorized representatives at reasonable times as provided by law.
- 9.8 Application of Payment. All payments made by a Member shall be applied as provided in these By-Laws and in the Declaration or as otherwise determined by the Board.
10. Roster of Members. Each Owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Members of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Members shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting.
11. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Articles or these By-Laws and subject to waiver in the discretion of the presiding officer if he determines that technical compliance with such Rules would interfere with the efficient conduct of a meeting or the will of its attendees.
12. Amendments. Except as in the Declaration provided otherwise, these By-Laws may be amended in the following manner:
- 12.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.
- 12.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the Members of the Association. Directors and Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be:
- (a) by not less than a majority of the votes of all Members of the Association (as opposed to only those represented at a meeting at which a quorum has been attained) and by not less than 66-2/3% of the entire Board of Directors; or
 - (b) by the Developer prior to the transfer of control of the Association to the Members as provided herein, acting alone.

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- 12.3 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer or mortgagees of Lots without the consent of said Developer and mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or Declaration. No amendment to this Section shall be valid.
13. Compliance with Chapter 617, Florida Statutes. The Association shall at all times comply with the provisions of Chapter 617, Florida Statutes applicable to the Association. At the time of the adoption of these By-Laws, such statutes provide, among other things, for matters pertaining to keeping of records (including minutes and financial records), the rights of members to inspect such records, financial reporting, special meetings, notices of meetings and the right to attend and make recordings of meetings.
14. Rules and Regulations. Attached hereto are Rules and Regulations concerning the use of portions of The Properties. The Board of Directors may, from time to time, modify, amend or add to such Rules and Regulations, except that subsequent to the date control of the Board is turned over by the Developer to Members other than the Developer, Owners of a majority of the Lots may overrule the Board with respect to any such modifications, amendments or additions. Copies of such modified, amended or additional Rules and Regulations shall be furnished by the Board of Directors to each affected Member not less than thirty (30) days prior to the effective date thereof. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the Developer.
15. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.
16. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these By-Laws or the intent of any provision hereof.

The foregoing was adopted as the Amended and Restated By-Laws of THE RETREAT OF SOUTH WALTON COUNTY HOMEOWNER'S ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, on the 20th day of May, 1999.

Approved:



James Rester, President

EXHIBIT "D"

RULES AND REGULATIONS

1. The Common Areas and facilities, if any, shall not be obstructed nor used for any purpose other than the purposes intended therefor. No carts, bicycles, carriages, chairs, tables or any other similar objects shall be stored thereon, except by the Association.

2. The personal property of Owners must be stored in their respective Homes or in outside storage areas (if any are approved by the Design Review Board).

3. No garbage cans, supplies, milk bottles or other articles shall be placed on the exterior portions of any Home or Lot and no linens, cloths, clothing, curtains, rugs, mops, or laundry of any kind, or other articles, shall be hung from or on the Home, the Lot or any of the windows, doors, fences, balconies, patios or other portions of the Home or Lot, except as provided in the Declaration with respect to refuse containers.

4. Employees of the Association are not to be used by Owners for personal services. The Board of Directors shall be solely responsible for directing and supervising employees of the Association.

5. No motor vehicle which cannot operate on its own power or which has a flat tire(s) or does not have a current license plate and registration shall remain on The Properties for more than twenty-four (24) hours, and no repair of such vehicles shall be made thereon, except for emergencies or in a garage. No portion of the Common Areas may be used for parking purposes, except those portions specifically designed and intended therefor, if any.

Areas designated for guest parking, if any, shall be used only for this purpose and neither Owners nor occupants of Homes shall be permitted to use these areas.

Vehicles which are in violation of these Rules and Regulations shall be subject to being towed by the Association as provided in the Declaration, subject to applicable laws and ordinances. In this regard, usual and customary activities (for example, lawn cutting) which, by their nature, generate noise shall be permitted, but only after 8:00 a.m. and before sunset.

6. No Owner shall make or permit any disturbing noises in the Home or on the Lot by himself or his family, servants, employees, agents, visitors or licensees, nor permit any conduct by such persons that will interfere with the rights, comforts or conveniences of other Owners. No Owner shall play or permit to be played any musical instrument, nor operate or permit to be operated a phonograph, television, radio or sound amplifier or any other sound equipment in his Home or on his Lot in such a manner as to disturb or annoy other residents (applying reasonable standards). No Owner shall conduct, nor permit to be conducted, vocal or instrumental instruction at any time which disturbs other residents.

7. No electronic equipment shall be permitted in or on any Home or Lot which interferes with the television or radio reception of another Home.

8. No awning, canopy, shutter, enclosure or other projection shall be attached to or placed upon the outside walls or roof of the Home or on the Lot, except as approved by the Design Review Board, which may be withheld in its sole discretion.

9. No Owner may alter in any way any portion of the Common Areas, including, but not limited to, landscaping, without obtaining the prior written consent of the Design Review Board.

10. No vegetable gardens shall be permitted except in fully enclosed patio areas.

11. No commercial use shall be permitted in The Properties even if such use would be permitted under applicable zoning ordinances.

12. No flammable, combustible or explosive fluids, chemicals or substances shall be kept in any Home, on a Lot or on the Common Areas, except as to gas cylinders permitted under the Declaration.

13. An Owner who plans to be absent during the hurricane season must prepare his Home and Lot prior to his departure by designating a responsible firm or individual to care for his Home and Lot should the Home suffer hurricane damage, and furnishing the Association with the name(s) of such firm or individual. Such firm or individual shall be subject to the approval of the Association.

14. All persons using any pool on the Common Areas shall do so at their own risk. All children under twelve (12) years of age must be accompanied by a responsible adult. Bathers are required to wear footwear and cover over their bathing suits in any enclosed recreation facilities. Glasses and other breakable objects may not be utilized in the pool or on the pool deck, if any. Pets are not permitted in any pool or pool area under any circumstances.

15. Children will be the direct responsibility of their parents or legal guardians, including full supervision of them while within The Properties and including full compliance by them with these Rules and Regulations and all other Rules and Regulations of the Association. Loud noises will not be tolerated. All children under twelve (12) years of age must be accompanied by a responsible adult when entering and/or utilizing recreation facilities (if any).

16. Pets and other animals shall neither be kept nor maintained in or about The Properties except in accordance the Declaration and with the following:

No pet shall be permitted outside of its Owner's Home unless attended by an adult or child of more than ten (10) years of age and on a leash of reasonable length. Said pets shall only be walked or taken upon those portions of the Common Areas designated by the Association from time to time for such purposes. In no event shall said pets ever be allowed to be walked or taken on or about any recreational facilities (if any) contained within the Common Areas.

17. Every Owner and occupant shall comply with these Rules and Regulations as set forth herein, any and all Rules and Regulations which from time to time may be adopted, and the provisions of the Declaration, By-Laws and Articles of Incorporation of the Association, as amended from time to time. Failure of an Owner or occupant to so comply shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Association shall have the right to suspend use of recreation facilities, if any, in the event of failure to so comply. In addition to all other remedies, a fine or fines may be imposed upon an Owner for failure of an Owner, his tenants, family, guests, invitees or employees, to comply with any covenant, restriction, rule or regulation herein or in the Declaration, or Articles of Incorporation or By-Laws, as provided in the Declaration.

18. These Rules and Regulations shall not apply to the Developer, nor its affiliates, agents, employees or contractors nor to property while owned by either the Developer or its affiliates. Further, no Builder shall be deemed in violation hereof by reason of the conduct of any usual and customary constructing, marketing or sales activities. All of these Rules and Regulations shall apply, however, to all other Owners and occupants even if not specifically so stated in portions hereof. The Board of Directors shall be permitted (but not required) to grant relief to one or more Owners from specific Rules and Regulations upon written request therefor and good cause shown in the sole opinion of, and conditions on time limitations imposed by, the Board.

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EXHIBIT "E"

The initial portions of the Common Areas shall be:

Common Areas, Right-of-Ways, Utility/Drainage Easements, Pedestrian Pathway Easements, Wall and Landscape Easement, Common Recreation Use Easement, and Access Easement as identified on the plat of The Retreat recorded at Plat Book 14, Page 4 and 4a, of the Public Records of Walton County.

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EXHIBIT "F"

The initial portions of The Properties shall be:

- (i) All the property identified on the plat of The Retreat recorded at Plat Book 14, Page 4 and 4a, of the Public Records of Walton County.
- (ii) Lots 11 and 12, Block G, Blue Gulf Resort, Unit #1, as recorded in Plat Book 3, Page 69 of the property records of Walton County, Florida.

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