

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SUMMER RIDGE

THIS DECLARATION, made this 26th day of December, 2002 by Sun Cor Development of Northwest Florida, L.L.C., a Florida limited liability company, hereinafter referred to as "Declarant."

STATEMENT OF PURPOSE

A. The Declarant is the owner and developer of certain real property located in Walton County, Florida, which is more particularly described on Exhibit "A" and which shall be known as "Summer Ridge".

B. The Declarant intends to provide for the protection of the value and desirability of the land and improvements to be constructed on the above-described property, and any other property and common area property that may later be annexed thereto. To this end, and for the benefit of the property and each owner thereof, the Declarant wishes to subject the property to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth; to create a non-profit association with the power and duty of administering and enforcing the provisions of this Declaration; and to provide a guide for development that will encourage a harmonious architecture.

DECLARATION

The Declarant hereby declares that Summer Ridge described in Exhibit A and such land as may later be annexed thereto shall be held, occupied, sold and conveyed subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, all of which shall run with the property and be binding on, and insure to the benefit of, all parties having any right, title or interest in the property or any part thereof, their heirs, successors and assigns.

ARTICLE 1. DEFINITIONS

Section 1.00 "Articles" are the Articles of Incorporation of the Association, which are attached as Exhibit "8" to this Declaration.

Section 1.01 "Assessments" is the collective term for the following charges:

(a) "General Assessment" is the amount charged to each Member to meet the Association's annual budgeted expenses.

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(c) "Special Assessment" is an amount, which may be charged to each Lot for capital improvements or emergency expenses.

Section 1.02 "Association" is Summer Ridge Homeowners' Association, Inc., a Florida non-profit corporation, its successors and assigns. The Association, whose members are the Owners, is responsible for maintaining Summer Ridge and enforcing the Declaration.

Section 1.03 "Board" is the Board of Directors of the Association.

Section 1.04 "By-Laws" are the By-Laws of the Association, which are attached as Exhibit "C" to this Declaration.

Section 1.05 "Common Area" is the real property described as Common Area on Exhibit "D" and improvements thereon, along with any additional property or easement rights specifically granted to the Association, all of which shall be owned by the Association for the common use and enjoyment of the Owners. The Common Area is not dedicated for use by the general public and the Common Area will be deeded to the Association on or before the Transition Date as hereafter defined.

Section 1.06 "Declarant" is Sun Cor Development of Northwest Florida, L.L.C., a Florida limited liability company, its successors and assigns, or any successor or assign of all or substantially all of its interests in the development of Summer Ridge.

Section 1.07 "Declaration" is this Declaration of Covenants, Conditions and Restrictions as it may be amended from time to time.

Section 1.08 "Governing Documents" include the Declaration, the Articles of Incorporation, the By Laws, Rules and Regulations and the Architectural Planning Criteria and all amendments to said documents.

Section 1.09 "Lot" is any lot, which is to be established on the real property described on Exhibit "A", intended as a site for a house, along with any improvements which have been constructed, and any additional Lots developed on any additional property annexed to the Property.

Section 1.10 "Member" is a person or entity entitled to membership in the Association, as provided in this Declaration.

Section 1.11 "Owner" is the record owner, whether one or more persons or entities, of the fee simple title to any Lot or of a life estate in any Lot, but shall not include those having such interests merely as security for the performance of an obligation.

Section 1.12 "Property" is that certain real property described in Exhibit A, including Common Areas, and any additional property, which may hereafter be brought within the jurisdiction of the Association and the provisions of this Declaration.

Section 1.13 "Transition Date" is the earlier of the date on which the Declarant ceases to be a Class B member pursuant to Section 6.02 or the date required by Florida Statute 617.307(1)(1999).

ARTICLE 2. PROPERTY SUBJECT TO THIS DECLARATION

Summer Ridge may later be extended beyond the property described on Exhibit "A". This article describes the real property of which Summer Ridge will initially be comprised, and provides the method by which additional property may be added.

Section 2.01 Initial Property. The real property which shall be held, transferred, conveyed and occupied subject to this Declaration consists initially of that real property described on Exhibit "A".

Section 2.02 Annexation of Additional Property.

(a) By the Declarant. The Declarant shall have the right, but not the obligation, for a period of twenty (20) years from this date, from time to time in its sole discretion, to annex any property with a reasonable relationship to Summer Ridge.

(b) By the Members. After Declarant has turned over control of the Association to the Members, additional property may also be annexed to the Summer Ridge by a majority vote of the Members.

Section 2.03 Supplemental Declaration. The additional property shall be added by a supplemental declaration, which shall become effective upon recording in the county's public records. The supplemental declaration may modify or add to the provisions of this Declaration, if needed, to reflect the different character of the additional property or to integrate the additional property with the existing property. For example, such special provisions may modify the number of members of the Board and the manner of election, create a class of limited Common Area or establish special assessments upon the additional property for the maintenance of certain Common Areas. Upon recording, the additional property shall be considered a part of Summer Ridge for all purposes of this Declaration.

Section 2.04 Access to Additional Property. To provide access between the initial property and any additional property, the Declarant may incorporate into the Common Area any Lot it owns and any part of the Common Area, so long as any recreational facilities (but no landscaping or decorative walls) are replaced with similar facilities in another part of the Common Area.

Section 2.05 Platted Lots. Subject to any required governmental and existing lot owner approvals, the Declarant shall have the right to:

(a) Modify plats of Summer Ridge to make adjustments to Lot boundary lines so long as the Owners of the affected Lots consent;

(b) Make other adjustments to any plat so long as Owners are not materially affected; and

(c) Dedicate any of the property described on Exhibit "A" to the public for roadway or pedestrian access purposes or convey property to the Association as additional Common Area.

ARTICLE 3. EASEMENTS

Every Owner has the benefit of certain easements, and the responsibility of others.

Section 3.01 Owners' Easement of Enjoyment in and to the Common Areas. Every Owner shall have a right and non-exclusive easement of enjoyment in and to the Common Area. This easement shall be appurtenant to and shall pass with title to every Lot. Any Owner may delegate, subject to the provisions of this Declaration, the By-Laws and the Rules and Regulations, his or her right to enjoyment to the Common Area to the members of his or her family, tenants, or guests who reside on the Lot. This easement of enjoyment is subject to the following provisions:

(a) The right of the Association to regulate the use of the Common Area through the establishment of rules and regulations.

(b) The right of the Association to suspend the voting rights and right to use the recreational facilities by any Owner for any period during which any assessment remains unpaid, and for a period not to exceed 60 days for any infraction of its published rules and regulations.

(c) The right of the Association to limit or otherwise regulate the number of guests using the Common Area.

Section 3.02 Ingress and Egress Easement. Every Owner shall have an easement of use for purposes of ingress and egress on, over and across streets, outdoor walkways, sidewalks, and alleys on the Property. All police, fire, ambulance and other similar services shall have an easement to enter streets and Common Area in the performance of their duties.

Section 3.03 Utility Easement. A blanket easement is reserved upon, across, over, through, and under the Property for ingress, egress, installation, replacement, repair and maintenance of all public and private utility and service systems. These systems include, but are not limited to, water, sewer, irrigation systems, drainage, telephone, electricity, television, cable or communication lines and other equipment. By virtue of this easement the Declarant, and its successors and assigns, may install and maintain facilities and equipment within Summer Ridge. However, the exercise of this easement must not unreasonably disturb each Owner's right of quiet enjoyment of his Lot.

Section 3.04 Cross Easements for Walls, Fences and Maintenance. Each Owner of a Lot grants to the Owner of any adjoining Lot an easement over his Lot as reasonably necessary, and during reasonable hours, to maintain the adjoining Lot (including any buildings or walls); and an easement over his Lot and beneath the surface of his Lot for any minor, unintentional encroachments of any walls or foundation for such walls, if the walls were intended to be built along the Lot line. An encroachment of up to six inches shall be deemed to be minor. The Owner of an exterior wall which supports the building on only one Lot, or which encloses a courtyard on one Lot, shall be responsible for maintenance of the wall. The Owner of the adjoining Lot shall not drill holes in the wall or make any other use of the wall which may damage the wall. The Owner of the adjoining Lot may, however, paint that portion of the wall which faces his Lot.

Section 3.05 Association Easements. The Association shall have an easement for itself, its officers, agents and employees, including the management company selected by it, to enter into or cross over the Common Area and any Lot in the course of performing its rights and duties under this Declaration.

Section 3.06 Construction, Sales, and Maintenance Easement. The Declarant also hereby reserves for itself, its agents, sales representatives, employees, contractors and subcontractors, and their respective agents and employees, an easement for access and ingress to and egress from, on and over the Common Area as may be required for display, exhibit and sale of Lots and for the construction, improvement and maintenance of Lots and Common Area on the Property.

Section 3.07 Future Easements. Declarant reserves the right to impose further restrictions and to grant or dedicate easements and rights of way on any Lot within the Property owned by Declarant. In addition, Declarant hereby expressly reserves the right to grant easements and rights of way over, under and through the land now or later included in the Property other than Lots, so long as Declarant shall own any portion of the Property. The easements granted by the Declarant shall not materially adversely affect any improvements or unreasonably interfere with the enjoyment of the Property.

ARTICLE 4. USE RESTRICTIONS

Section 4.01 Residential Use. The Lots may be used for residential dwelling units and for no other purpose, except that individual residential dwelling units may be used as model homes by the Declarant during the development of the Property and a Lot or a portion of the Common Area designated by the Board may be used as a real estate management and sales office. No Lot shall be further subdivided or separated into smaller parcels, and only one (1) residence shall be constructed on each Lot. However, this shall not prohibit construction of a single family residence on two (2) Lots, which are combined as a single home site, nor shall it prohibit corrective deeds or similar corrective instruments. Notwithstanding the foregoing, carriage houses and garage apartments are not prohibited if they meet the requirements of the Walton County Land Development Code. No separate rental of a carriage house or garage apartment shall be allowed.

Section 4.02 Leasing. Leasing of Lots is permitted, subject to a minimum Six Month leasing period and other reasonable regulations for the Property adopted by the Board. Owners shall provide all tenants with information concerning restrictions and Rules and Regulations for the Property.

Section 4.03 No Time Sharing. No time-share ownership of Lots is permitted without the Declarant's approval. For this purpose, the term "time-share ownership" shall mean a method of ownership under which the exclusive right of use, possession or occupancy of the Lot circulates among more than six individuals or married couples on a periodically reoccurring basis

Section 4.04 Nuisances; Other Improper Use.

(a) Nuisances, Unlawful Use. No nuisance or immoral, improper, offensive or unlawful use shall be permitted to exist or operate on any Lot or the Common Area. All laws, building codes, orders, rules, regulations or requirements of any governmental agency having jurisdiction shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain or repair the affected portion of the Property.

(b) Hazards. Nothing shall be erected, constructed, planted, or otherwise placed in such a position (subsequent to the initial construction of improvements on the Property by Declarant) so as to create a hazard or block the vision of motorists upon any of the streets, which are part of, adjacent to or near the Property. No modification, alteration or improvement shall interfere with the easements or other rights set forth in this Declaration.

(c) Insurance. Nothing shall be done or kept on any Lot or the Common Area which will increase the rate of, or result in cancellation of, insurance for the Common Area or any other Lot, or the contents thereof, without the prior written consent of the Association.

(d) Soliciting. No soliciting will be allowed at any time within Summer Ridge.

Section 4.05 Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets which are not kept, bred or maintained for any commercial purposes may be kept by an Owner on his or her Lot if such pets do not cause a disturbance or annoyance on the Property. Each owner shall be held strictly responsible to immediately collect and properly dispose of wastes and litter of his or her pets. The Association reserves the right to designate specific areas within the Common Area where pets may be walked and prohibit pets on other areas, and also reserves the right to require that pets be licensed (have all required County licenses) and kept on a leash when not on the owner's Lot. Each Owner shall be responsible for any and all damage caused by his or her pets. The Association may prohibit tenants from keeping pets or place restrictions on tenants' pets.

Section 4.06 Signs. Small signs with the address and name of the Owner and name or other notation about the house are permitted on the Lots. The size and style of such signs may be determined by the Architectural Review Committee. No other sign, advertisement or notice of any type or nature whatsoever (including "For Sale" or "For Rent" signs) shall be erected or displayed upon any Lot (including placement in the yard, on the building, or in any window) or upon the Common Area, unless the Architectural Review Committee has given express prior written approval of the size, shape, content and location, which approval may be arbitrarily withheld. Notwithstanding the foregoing, the Declarant shall be permitted to post and display advertising signs on the Property so long as the Declarant owns property for sale in Summer Ridge.

Section 4.07 Vehicles, boats and garages.

(a) Parking. Automobiles and regular sized passenger trucks may be parked only in the garage or driveway of a Lot, in unassigned parking spaces as may be created by the Declarant or in other parts of the Property which may be specifically designated in writing by the Board. All parking within Summer Ridge shall be in accordance with rules and regulations adopted by the Association.

(b) Prohibited Vehicles & Parking. No bus, automobile, truck, boat, trailer, house trailer, motor home, camper, motorcycle, jet ski or other similar vehicles shall be parked on any roadway (including the unpaved portion of the right-of-way thereof) overnight.

(c) Prohibited Overnight Parking. No bus, truck (except regular sized passenger trucks), trailer, house trailer, motor home, camper, motorcycle or other similar vehicles may be parked on any Lot overnight, except in an approved garage.

(d) Boats. If on a Lot, boats (including jet skis) must be stored in an approved garage or where not visible from public roads.

(e) Commercial vehicles. No automobile, truck or other commercial vehicle, which contains lettering or advertising thereof, or which is identified with a business or commercial activity, shall be parked for any period of time, or stored or otherwise permitted to remain on any Lot except in an approved garage.

(f) Current license and good repair. Only vehicles bearing current license and registration tags, as required by state law from time to time, are allowed on the Property. All such vehicles shall be in good running conditions. Repair of vehicles (other than emergency repair) or storage of disabled vehicles is not permitted on the Property.

(g) Garages. Garage doors shall be kept closed except when automobiles are entering or leaving the garage. No garage shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence, except as provided by Section 4.11 (b).

Section 4.08 Garbage and Trash. No Lot may be used or maintained as a dumping ground for rubbish, trash or other waste. All trash, garbage and other waste shall be kept in containers within **the garage or** an enclosure constructed by Owner in a manner, form, and location approved by the Declarant, its agents or assigns, or the Architectural Review Committee. All Lots shall be kept free of the accumulation of rubbish, trash, garbage, other solid waste materials, and all unsightly weeds and underbrush. No incinerators or other fixed equipment shall be used for the collection, storage or disposal of solid waste materials.

Section 4.09 Clotheslines. No clothesline or other clothes-drying apparatus shall be permitted in any part of a Lot where it may be visible from the Common Area, any street, or any other Lot. The hanging of bathing suits, clothing, rugs, towels, or other items from balconies, railings, or windows is prohibited.

Section 4.10 Exterior Lighting. No sodium vapor, metal halite, spot or flood light or any type of excessive glaring light may be affixed to the exterior or visible through a window or opening of any home, garage, or other improvement to any Lot. It is the intent of the character of Summer Ridge to promote the use of low level exterior lighting directed away from adjoining Lots. Notwithstanding the above, any Owner may install or affix landscape lighting to his or her Lot as approved by the Architectural Review Committee.

Section 4.11 Temporary Structures. No structure of a temporary character, trailer, tent, shack, barn, shed or other outbuilding shall be permitted on any Lot at any time, except as follows:

(a) Construction. During the construction and sales period of this project, notwithstanding any provisions herein contained to the contrary, it shall be permissible for the Declarant to maintain a construction office or trailer, a sales office, construction yards, storage areas, signs, and model homes which, in the Declarant's sole opinion, are reasonably required.

(b) Special Events. During block parties and other special events approved by the Board, the Board may permit the use of tents, trailers and other temporary buildings on the Common Area or elsewhere.

Section 4.12 Construction.

(a) New Construction. During construction of a dwelling or other improvements upon a Lot, the Owner shall be required to maintain the Lot in a clean condition, providing for trash and rubbish receptacles and disposal. Construction debris shall not be permitted to remain upon any Lot. All main structures constructed upon the Property shall be completed within one (1) year after commencement of construction, except where such completion is impossible due to strikes, fires, national emergencies, or natural calamities, or unless waived in writing by the Declarant. The Declarant may, at its option, establish reasonable hours for construction activities so as to result in minimal disturbance to Owners of land adjacent to the Lot. Any damage to adjacent property caused by construction is the responsibility of the Lot Owner who is doing the construction.

(b) Reconstruction or Renovations. Following completion of construction, an Owner of a Lot may not cause or permit any alteration, modification, renovation or reconstruction to be made to the structural components, roof, or exterior appearance of his dwelling, including driveways and parking areas, nor make any additions to the exterior of his or her dwelling without the prior written approval of the Declarant, its agents or assigns, except that an Owner shall replace broken windows and doors with windows or doors of the same style and equal or better quality as originally installed. No garage shall be converted to another use without written approval of the Declarant, its agents or assigns.

Section 4.13 Property Setbacks.

- (a) All front, side and rear yard setbacks shall conform to those setbacks as shown on the Summer Ridge PUD Subdivision Plat as filed in Walton County, Florida on August 7, 2002 in Plat Book 15, Page 15
- (b) Notwithstanding the foregoing, no dwelling unit, garage or other building improvement on any lot shall be constructed closer than ten (10) feet from another dwelling unit, garage or other building improvement on an adjoining lot.
- (c) No property wall or fence shall be constructed on any lot without the prior written approval of the Declarant, its agents or assigns

Section 4.14 Rules and Regulations. The Board may from time to time adopt rules and regulations or amend previously adopted rules and regulations governing the details of the operation, use, maintenance and control of the Lots, Common Area and any facilities or services made available to the Owners. Rules and Regulations shall take effect immediately upon approval by the Board, or at a later date selected by the Board. If requested by at least 10% of the Members, a General Membership Meeting may be called and any Rule or Regulation may be repealed by a majority vote of the Members. A copy of the Rules and Regulations adopted from time to time shall be furnished to each Owner.

ARTICLE 5. ARCHITECTURAL REVIEW

Section 5.01 Architectural Control. No construction, modification, alteration or improvement of any nature whatsoever, except for interior alterations not affecting the external structure or appearance of any dwelling, shall be undertaken on any Lot unless and until a plan of such construction or alteration shall have been approved in writing by the Architectural Review Committee. Modifications subject to approval specifically include, but are not limited to, painting, or other alteration of the exterior appearance of a dwelling (including doors, windows and roof), installation of antennas, satellite dishes or receives, solar panels or other devices, construction of fountains, swimming pools, whirlpools or other pools, construction of privacy walls or other fences, addition of awnings, gates, flower boxes, shelves, statutes, or other outdoor ornamentation, patterned or brightly colored window coverings, any alteration of the landscaping or topography of the Lot, including without limitation any cutting or removal of trees, planting or removal of plants and creation of alteration of lakes or similar features of the Lot and all other modifications, alterations or improvements visible from the street or other Lots. The Declarant is exempt from the operation of this paragraph.

Section 5.02 Architectural Review Committee. The Architectural Review Committee shall be a standing committee of the Association, which shall be formed pursuant to the By-Laws of the Association.

Section 5.03 Approved Plans. The Declarant has created a selection of approved plans for homes to be constructed in the development. Only one of these plans, or an acceptable alternative approved by the Architectural Review Committee, may be used. All construction, modification, alteration and improvement of any nature whatsoever conducted on any Lot must be in accordance with the set of plans which has been approved by the Architectural Review Committee for that Lot.

Section 5.04 Architectural Planning Criteria. In order to ensure a harmonious design for the development, the Declarant has created Architectural Planning Criteria for Summer Ridge, which is attached as Exhibit "E" to this Declaration.. This document describes the design criteria for buildings, landscaping, and other improvements. The Architectural Planning Criteria may be modified by a majority vote of the Architectural Review Committee, except that until Declarant no longer owns any portion of the Property, the Declarant must approve any modification to the Architectural Planning Criteria.

Section 5.05 Review Procedure.

(a) Preliminary Plan Review. Preliminary plans may be submitted to the Architectural Review Committee for conceptual approval prior to the required final approval as outlined below. Such preliminary plans shall include rough drawings and/or sketches, and such other items as the Architectural Review Committee may deem appropriate.

(b) Application. The plans to be submitted for approval shall include the construction plans and specifications, including all proposed clearing and landscaping; elevations of all proposed improvements; and such other items as the Architectural Review Committee requires. No construction on any Lot shall be commenced and no Lot shall be modified except in accordance with such plan. Any modification to the approved plan must be reviewed and approved by separate application. The Architectural Review Committee shall have the right to charge a reasonable fee for its review of plans.

(c) Basis for Decision. Applications shall be approved or denied based upon compliance with this Declaration, the provisions of the Architectural Planning Criteria, the quality of workmanship and material and harmony of design with surrounding structures. The Architectural Review Committee may also consider other factors, including purely aesthetic considerations, which, in the sole opinion of the Architectural Review Committee, will affect the desirability or suitability of the construction. The Architectural Review Committee may grant variances from the Architectural Planning Criteria based on architectural merit or existing topographical or landscape conditions.

(d) Uniform Procedures. The Architectural Review Committee may establish procedures for the review of applications, including review costs and fees, if any, to be paid by the applicant. The Architectural Review Committee may also require a security deposit or performance bond to ensure the applicant's, contractors, or subcontractor's full and timely compliance with the conditions imposed by it.

(e) Notification. The Architectural Review Committee shall notify the applicant in writing of its decision within thirty (30) days of receiving a completed application, together with all requested materials. If approval or disapproval is not given within thirty (30) days, the application shall be deemed approved unless the applicant agrees to an extension. If approval is given or deemed to be given, construction of the improvements may begin. All construction must comply substantially with the submitted plans.

(f) Enforcement. If any construction is begun which has not been approved or which deviates substantially from the approved plans, the Architectural Review Committee, the Declarant, or the Association or any Owner shall have all of the remedies at law or in equity, and may bring an action for specific performance, declaratory decree or injunction.

(g) Liability. Approval of an application by the Architectural Review Committee shall not constitute a basis for any liability of the members of the Architectural Review Committee, the Declarant, members of the Board, or the Association as regards failure of the plans to conform to any applicable building codes or inadequacy or deficiency in the plans resulting in defects in the improvements.

ARTICLE 6. OWNERS' ASSOCIATION

Section 6.01 Membership. Every Owner of a Lot shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from title to any Lot. The shares of members in the funds, assets and property rights of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Lot.

Section 6.02 Voting Rights. The Association shall have two classes of voting members as follows:

(a) Class A. Class A members shall be all Owners of Lots other than the Declarant while the Declarant is a Class B member. Class A Members shall be entitled to one vote for each Lot owned.

(b) Class B. The Class B member shall be the Declarant, who shall be entitled to three (3) votes for each Lot owned. The Class B membership shall end and be converted to Class A membership within ninety (90) days from the first to occur of the following events:

1. One-hundred-twenty (120) days after seventy-five percent (75%) of the Lots have been conveyed to Lot purchasers;
2. Five (5) years following conveyance of the first lot; or
3. The Declarant chooses to become a Class A member.

Section 6.03 Exercise of Vote. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. Corporations, partnerships and other entities shall notify the Association of the natural person who shall exercise its vote. Specific rules regulating membership and voting are set forth in Article 2 of the By Laws.

Section 6.04 Approval or Disapproval of Matters. Whenever the decision of an Owner is required upon any matter, whether or not the subject of an Association meeting, such

decision shall be expressed by the same person who would cast the vote of such Owner if in an Association meeting, unless the joinder of record Owners is specifically required by the Declaration.

Section 6.05 Operation of the Association. The Association shall be governed by the provisions of its Articles of Incorporation and By-Laws. The Association shall have the powers enumerated in the By-Laws and such other powers as necessary and incidental to operate the Association and carry out the duties and responsibilities of the Association.

Section 6.06 Duties of the Association. It shall be the duty and obligation of the Association to (a) keep the Common Area in a first-class condition; (b) maintain and operate the Property and the Association pursuant to this declaration and the By-Laws of the Association; and (c) perform such other duties and obligations imposed upon it by this Declaration and the By-Laws of the Association.

Section 6.07 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair, the Association shall not be liable to Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent conditions of the Property to be maintained and repaired by the Association, or caused by the elements or other Owners or persons.

ARTICLE 7. MAINTENANCE

Section 7.01 Association Responsibilities. The Association shall be responsible for the management, control and improvement of the Common Area and shall keep the Common Area attractive, clean and in good repair. The Declarant may contract with any party for the performance of all or any portion of the management of the Association and the Association's maintenance and repair obligations. The cost of the contract shall be included within the General Assessment, Special Assessment or Individual Lot Assessment as applicable. The Association also may, but is not obligated to, act as agent for an Owner, if so requested by that Owner, to contract for routine maintenance and other services not required to be provided by the Association, the cost of which would be assessed to that Owner as an Individual Lot Assessment. The terms and conditions of all such contracts shall be at the discretion of the Board.

Section 7.02 Lot Owner Responsibilities. Each Owner shall be responsible for the maintenance of his or her Lot, including exterior and interior maintenance of the home. Each Owner shall perform promptly all maintenance and repair work within his or her Lot which, if permitted to remain un-repaired, would affect the Property in its entirety or a Lot belonging to another Owner, and each Owner is expressly responsible for damages and liability which result from his or her failure to promptly perform such maintenance and repair work. Unless otherwise provided in other articles of this Declaration, each Owner shall be responsible for the cost of performing all such maintenance and repair work. Equipment, garbage cans, wood piles or storage areas shall be concealed from view of neighboring Lots, Common Area and streets. Rubbish, trash, or garbage shall be regularly removed and shall not be allowed to accumulate.

Section 7.03 Landscaping.

(a) Landscape and Maintenance of Landscape of each Lot. Each Lot, including that portion of the Lot between the street pavement and the right-of-way line, shall be landscaped and irrigated with drought-tolerant native vegetation together with pine straw for ground cover by the Owner. No sod shall be planted on the front or side yard area of any Lot. Each Owner shall maintain or contract for the routine maintenance of all landscaping located on said Lot. Said landscaping maintenance shall be completed in a manner and with such frequency as is consistent with good residential property management and shall comply with the architectural control provisions of Article 5 of this Declaration. The Association may provide landscaping maintenance to any Lot that the Association determines, in its sole discretion, requires additional landscape maintenance and the Association shall assess the Owner of the Lot so maintained for expenses associated therewith as an Individual Lot Assessment.

(b) Landscape and Maintenance of Landscape of Common Areas. The Declarant, and its successors and assigns, or the Association, shall enter into and shall continuously maintain in force a Master Landscape Contract for continuous maintenance of all Common Areas including that portion of the Lot between the street and the right-of-way line. The expense of landscape maintenance of the Common Areas shall be a common expense and shall be paid by the Association.

Section 7.04 Damage or Destruction of Common Area by Owner. If any Owner or any Owner's guests, tenants, licensees, agents, employees or family members damage any of the Common Area as a result of negligence or misuse, the Owner hereby authorizes the Association to repair the damage. The cost of repair shall be the responsibility of that Owner and shall become an Individual Lot Assessment payable by the responsible Owner.

ARTICLE 8. ASSOCIATION BUDGET

Section 8.01 Fiscal Year. The fiscal year of the Association shall begin on January 1 of each year and end on December 31 of that year, unless the Board selects a different fiscal year.

Section 8.02 Budget Items. The budget shall estimate total expenses to be incurred by the Association in carrying out its responsibilities. These expenses shall include, without limitation, the cost of wages, materials, insurance premiums, services, supplies and other expenses for the rendering of all services required or permitted under this Declaration. The budget shall also include reasonable amounts, as determined by the Board, for working capital for the Association and for reserves. If the Common Areas are taxed separately from the Lots, the Association shall include such taxes as part of the budget. Fees for professional management of the Association and legal counsel may also be included in the budget.

Section 8.03 Reserves. The Association shall build up and maintain adequate reserves for working capital, contingencies and replacement, which shall be included in the budget and collected as part of the annual General Assessment. Extraordinary expenses not originally included in the annual budget, which may become necessary during the year shall be

charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose unless approved by a majority vote of the Members. If the reserves are inadequate for any reason, including nonpayment of any Member's assessment, the Board may at any time levy an emergency assessment in accordance with the provisions contained in this Declaration. If there is an excess of reserves at the end of the fiscal year and the Board so determines, the excess may be returned on a pro-rata basis to all members who are current in payment of all assessments due the Association, or may be used to reduce the following year's assessments.

Section 8.04 Preparation and Approval of Annual Budget.

(a) Initial Budget. The Declarant shall determine the budget for the fiscal year in which a Lot is first conveyed to an Owner other than the Declarant.

(b) Subsequent Years. Beginning with the year in which a Lot is first conveyed to an Owner other than the Declarant and each year thereafter, at least one month before the end of the fiscal year, the Board shall, by majority vote, adopt a budget for the coming year and set the annual General Assessments at a level sufficient to meet the budget. At least two weeks before the fiscal year to which the budget applies, the Board shall send to each Member a copy of the budget in reasonably itemized form, which shall include the amount of General Assessments payable by each Member.

(c) Approval. If General Assessments are to be increased to more than 115% of the previous year's General Assessment, and at least 10% of the Members request review within thirty (30) days after the budget is delivered to Members, the Board shall call a General Membership Meeting to present the budget and to answer any questions. After presentation, the budget shall be deemed approved unless the percentage required to transact business is present and the budget is rejected by a majority of the Class A Members present. If the budget is rejected, the Board shall approve a new budget within ten (10) days and send a copy to each Member.

Section 8.05 Effect of Failure to Prepare or Adopt a Budget. The Board's failure or delay in preparing or adopting the annual budget for any fiscal year, or review of the budget under the preceding section, shall not waive or release a Member's obligation to pay General Assessments whenever the amount of such assessments is finally determined. In the absence of an annual Association budget each Member shall continue to pay the assessment at the rate established for the previous fiscal period until notified otherwise.

Section 8.06 Capital Improvements. Substantial capital improvements to the Common Area approved by the Board must be ratified by the Class A Members as follows:

(a) Majority Vote. If the cost of the improvement is more than six percent (6%) of the Association's annual budget, or if, when added to other capital improvements for the fiscal year, totals more than ten percent (10%) of the Association's annual budget, the capital improvement must be approved by majority vote of the Class A Members.

(b) Two-Thirds Vote. If the cost of the improvement is more than twenty percent (20%) of the Association's annual budget, or if, when added to other capital improvements for the fiscal year, totals more than twenty-five percent (25%) of the Association's annual budget, the capital improvement must be approved by a two-thirds (2/3) vote of the Class A Members.

If the substantial capital improvement is approved by the Members, the Board shall determine whether it shall be paid from General Assessments or by Special Assessments. Any repair or replacement of existing improvements shall not be considered a capital improvement.

Section 8.07 Accounts. Reserves shall be kept separate from other Association funds, either in a single account for all reserves or separated by purpose. All other sums collected by the Board with respect to Assessments and charges of all types may be commingled in a single fund.

ARTICLE 9. MAINTENANCE ASSESSMENTS

Section 9.01 Obligation for Assessments. Each Owner of any Lot, by acceptance of a deed or other transfer instrument, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association as they become due the following (to be known collectively as "Assessments"):

- (a) General Assessments for expenses included in the budget;
- (b) Special Assessments for the purposes provided in this Declaration; and
- (c) Individual Lot Assessments for any charges particular to that Lot, together with a late fee and interest, as established by the Board, and cost of collection when delinquent, including a reasonable attorney's fee whether or not suit is brought.

Upon default in the payment of any one or more installments, the Board may accelerate the entire balance of such Assessment, which shall be declared due and payable in full.

Section 9.02 Division of Assessments. General Assessments and Special Assessments shall be assessed equally among all Lots, except that the Declarant is not required to pay assessments or fund reserves on Lots, which it owns as a Class B Member. The Declarant will, however, fund any budget deficits until such time as it becomes a Class A Member or elects to pay the General Assessment on Lots it still owns.

Section 9.03 General Assessments

(a) Establishment by Board. The Board shall set the date or dates such assessments shall become due and may provide for collection of assessments annually or in monthly, quarterly or semi-annual installments. Initially, assessments will be based upon a calendar quarter and will be due in advance on the first of each quarter.

(b) Date of Commencement. The General Assessments shall begin on the day of conveyance of the first Lot to an Owner other than the Declarant. The initial

General Assessment on any Lot subject to assessment shall be collected at the same time title is conveyed to the Owner. During the first year of ownership, each Owner shall be responsible for their pro-rata share of the annual General or Special Assessment charged to each Lot, pro-rated to the day of closing.

Section 9.04 Special Assessment. In addition to the General Assessment, at such time as Class B voting rights of the Declarant are no longer in effect and there are only Class A Members of the Association, the Board may levy in any fiscal year, and for not more than the next four succeeding years, a Special Assessment for one of the following purposes:

(a) Capital Improvements. Any substantial capital improvement, which has been approved by the Members, or by the Board in accordance with this Declaration, may be paid by Special Assessment.

(b) Emergency Assessment. By a two-thirds (2/3) vote, the Board may impose a Special Assessment for any unusual or emergency maintenance or repair or other expense which this Declaration requires the Association to pay (including, after depletion of reserves, any unexpected expenditures not provided by the budget or unanticipated increases in the amounts budgeted).

Section 9.05 Individual Lot Assessments. The Association may levy at any time an Individual Lot Assessment against a particular Lot for the purpose of defraying, in whole or in part, the cost of any special services to that Lot or any other charges designated in this Declaration as an Individual Lot Assessment.

Section 9.06 Capital Contribution. At the closing and transfer of title of each Lot to the first Owner, other than the Declarant and all subsequent owners, the Owner shall contribute one time payment to the Association in the amount of \$324.00. This contribution shall be used by the Association for prepaid insurance, personal property and equipment for the Association, other initial and nonrecurring capital expenses of the Association, and initial working capital for the Association, and shall not be considered as a pre-payment of assessments.

Section 9.07 Interest; Application of Payment. Assessments and installments on such Assessments paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the rate of eighteen percent (18%) per annum from the date when due until paid. All payments upon accounts shall be first applied to interest and then to the Assessment payment first due.

Section 9.08 Effect of Non-Payment of Assessment; Remedies.

(a) Personal Obligation. All Assessments, together with any late fee, interest and cost of collection when delinquent, including a reasonable attorney's fee whether or no suit is brought (collectively, the "Assessment Charge") shall be the personal obligation of the person or entity who was the Owner of the Lot at the time when the Assessment was levied, and of each subsequent Owner. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of the Lot.

(b) Creation of Lien. The Assessment Charge shall also be charged on the land and shall be a continuing lien upon the Lot against which the Assessment Charge is

made, which is effective upon recording of a claim of lien. This lien, in favor of the Association, shall secure the Assessment Charge which is then due and which may accrue subsequent to the recording of the claim of lien and prior to entry of final judgment of foreclosure.

(c) Suit for Payment; Foreclosure of Lien. The Association may bring an action at law against the Owner personally obligated to pay the Assessment Charge, or may foreclose the lien in a manner similar to foreclosure of a mortgage lien, or both. The Association, acting on behalf of the Owners, shall have the power to bid for an interest in any Lot foreclosed at such foreclosure sale and to acquire, hold, lease, mortgage and convey the Lot.

(d) Subordination of the Lien to Mortgages. The lien of the Assessment Charge shall be inferior to the first mortgage lien of any Mortgagee. Sale or transfer of any Lot pursuant to foreclosure of such a mortgage, including a deed in lieu of foreclosure, shall extinguish the lien as to payments, which became due prior to the sale or transfer. The transferees of such Lot shall be liable for any assessments coming due after the sale or transfer.

(e) Other Remedies. The Association shall have the right to assess fines and suspend the voting rights and right to use of the Common Area by an Owner for any period during which any Assessment against his or her Lot remains unpaid.

Section 9.09 Certificate of Payment. The Treasurer of the Association, upon request of any Owner, shall furnish a certificate signed by a member of the Board stating whether any assessments are owned by that Owner. Such certificate, when co-signed by the Secretary of the Association, shall be conclusive evidence of payment of any assessment stated to have been paid.

ARTICLE 10. INSURANCE

Section 10.01 Review of Coverage. The Board shall review limits of coverage for each type of insurance at least once each year.

Section 10.02 Casualty Insurance. Subject to availability and in such amounts and with such deductibles as the Board shall determine, the Board shall obtain casualty insurance for all Common Area improvements, which coverage may include extended coverage, vandalism, malicious mischief and windstorm endorsements and other coverage deemed desirable by the Board.

Section 10.03 Public Liability. The Board may purchase public liability insurance in such limits and with such coverage as the Board may consider appropriate.

Section 10.04 Director Liability. The Board may obtain liability insurance against personal loss for actions taken by members of the Board in the performance of their duties. Such insurance shall be of the type and amount determined by the Board.

Section 10.05 Other Coverage. The Board shall obtain and maintain worker's compensation insurance if and to the extent necessary to meet the requirements of law, and such other insurance as the Board may determine or as may be requested by a majority vote of the Members.

Section 10.6 Improved Lots. Each owner shall obtain and maintain at his or her own expense fire, windstorm insurance and insurance against the perils customarily covered by an extended coverage endorsement in an amount not less than the full insurable value of the improvements, based upon replacement, and if an Owner fails to do so, the Board has the right but not the obligation to purchase such insurance for that Owner and assess the cost to him or her as an Individual Lot Assessment. Each owner shall provide current evidence of said insurance to the Association so that it may have a record of compliance with this Section. Owners are responsible for insuring against personal property damage and loss, personal liability for that Lot and any other type of insurance the Owner may desire.

Section 10.07 Repair and Reconstruction after Fire or Other Casualty.

(a) Common Area. If fire or other casualty damages or destroys any of the improvements in or on the Common Area, the Board shall arrange for and supervise the prompt repair and restoration of such improvements substantially in accordance with the plans and specifications under which the improvements were originally constructed, or any modification approved by the Association. The Board shall obtain funds for such reconstruction first from insurance proceeds, then from reserves for the repair and replacement of such improvements, and then from any Special Assessments that may be necessary after exhaustion of insurance and reserves.

(b) Improvements. Within three (3) months of any damage to or destruction of a structure on a Lot, the Owner shall repair or reconstruct the structure in a manner consistent with the original construction or other plans and specifications approved in accordance with this Declaration; provided, under special circumstances, the Board, in its discretion, may extend such time period. Alternatively, the Owner shall clear the Lot and maintain it in a neat and attractive condition as required by the Board. The Owner shall pay any cost insurance proceeds do not cover.

(c) Insurance Proceeds; Performance of Work. All insurance proceeds received by the Association shall be deposited in a bank or other financial institution, the accounts of which are insured by a federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature authorized by the Board or an agent authorized by the Board. The Board may advertise for sealed bids with any licensed contractor, and may negotiate with any contractor, who may be required by the Board to provide a full performance and payment bond for the repair or reconstruction.

ARTICLE 11. AMENDMENT

Section 11.01 By Members. This Declaration may be amended at any time by an instrument signed by the President or Vice-President and Secretary of the Association,

certifying approval in writing by two-thirds (2/3) of the Class A Members. Until termination of the Class B Membership, the Declarant must also approve and sign any amendment to the Declaration.

Section 11.02 By Declarant. Declarant specifically reserves the absolute and unconditional right, so long as it owns any Lot, to amend this Declaration without the consent or joinder of any party to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Association or other generally recognized institution involved in the purchase and sale of home loan mortgages; to conform to the requirements of institutional mortgage lenders or title insurance companies; or to clarify the provisions herein.

Section 11.03 Limitation. Whenever any action described in this Declaration requires approval of greater than two-thirds (2/3) of the Members, amendment of that provision shall require the same percentage vote as would be required to accomplish that action directly.

Section 11.04 Recording. Any amendment shall take effect upon recording in the public records of Walton County.

ARTICLE 12. DURATION; TERMINATION

Section 12.01 Term. The covenants and restrictions of this Declaration shall run with and bind the Property from time to time submitted to this Declaration and shall inure to the benefit of and be enforceable by the Declarant, the Association, and Owners of Lots within the Property, their respective legal representatives, heirs, successors or assigns for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated in the following way:

By Owners. The Declaration may be terminated at any time by an instrument recorded in the public records of Walton County signed by Owners representing ninety percent (90%) of the votes in the Association.

Section 12.02 Re-Recording. Unless this Declaration is so terminated, the Association shall re-record this Declaration or other notice of its terms at intervals necessary under Florida law to preserve its effect.

Section 12.03 Condemnation. If all or part of the Common Area is taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Association. The Board shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation affecting such property.

ARTICLE 13. GENERAL PROVISIONS

Section 13.01 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform and consistent plan for the

development and operation of Summer Ridge as a residential development of the highest quality. If there are conflicts between Florida Law, the Declaration, the Articles, and the By Laws, then Florida Law, the Declaration, the Articles, and the By Laws (in that order) shall prevail.

Section 13.02 Violations of Florida Law and Governing Documents. Each Member and the Member's tenants, guests and invitees, and the Association, are governed by, and must comply with, Florida law (and in particular the applicable provisions of Florida Statute 617), the Governing Documents of Summer Ridge, and the rules and regulations duly adopted by the Association. The following enforcement provisions apply to Florida law and the Governing Documents:

(a) Actions at law or in equity, or both, to redress alleged failure or refusal to comply with these provisions may be brought by the Association or by any Member against the Association, a Member, any director or officer of the Association who willfully and knowingly fails to comply with these provisions, and any tenants, guests or invitees occupying a Lot or using the Common Areas. The prevailing party in such litigation is entitled to recover reasonable attorney's fees and costs. This section does not deprive any person of any other available right or remedy.

(b) The Association may suspend, for a reasonable period of time, the rights of a Member, of a Member's tenants, guests or invitees, or both, to use Common Areas and facilities and may levy reasonable fines, not to exceed \$100.00 per violation, against any Member or any tenant, guest or invitee. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, except that no such fine shall exceed \$1,000.00 in the aggregate.

(c) A fine or suspension may not be imposed without notice of at least fourteen (14) days to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director, or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed.

(d) The requirements set forth above do not apply to the imposition of suspensions or fines upon any Member because of the failure of the Member to pay assessments or other charges when due and such action is set forth and authorized by other provisions in the Governing Documents.

(e) The Association may suspend the voting rights of a Member for the non-payment of regular annual assessments that are delinquent in excess of ninety (90) days.

Section 13.03 Consent of Mortgagees.

(a) When Consent Required. This Declaration contains provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions are to be construed as covenants for the protection of the Mortgagees on which they may rely in making loans secured by a mortgage on a Lot. Accordingly, no amendment or

modification of this Declaration specifically impairing such rights, priorities, remedies or interests of a mortgagee shall be adopted without the prior written consent of mortgagees as provided in subsection (b). This section shall not be construed, however, as a limitation upon the rights of the Declarant, the Association or the Members to make amendments, which do not adversely affect the mortgagees.

(b) Percentage Required. Wherever consent of the mortgagees is required, it shall be sufficient to obtain the written consent of mortgagees holding a lien on 67% or more of all Lots encumbered by a mortgage. However, if one mortgagee is holding a lien on more than 50% of the Lots encumbered by a mortgage, the written consent of that mortgagee alone shall be sufficient.

(c) Timely Response. Any such required consent shall be given promptly and shall not be unreasonably withheld. Any consent not given or denied within thirty (30) calendar days of receipt of request for consent shall be deemed given.

Section 13.04 Declarant's Rights of Modification. Prior to the Transition Date, Declarant, or its agents or assigns, reserves the right to hereafter modify, amend or grant variances to any of the foregoing covenants, conditions and restrictions when, in the sole discretion of Declarant or its agents or assigns, such modification, amendment or variance is deemed useful or proper. Declarant or its agent or assigns may also make other restrictions applicable to each Lot by appropriate provision in the Sales Contract or in any Deed, without otherwise modifying the general plan herein outlined, and such other restrictions shall inure to the benefit of other Owners of Lots in the Property and shall bind the grantees and their respective heirs, successors or transferees in the same manner as though they had been expressed herein.

Section 13.05 Notices. Any notice required to be sent to the Owner shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the Lot and, if different, to the last known address of the person who appears as Owner of the Lot as that address is stated in the records of the Association at the time of the mailing.

Section 13.06 Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 13.07 Gender and Number. The use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 13.08 Law to Govern. This Declaration shall be construed in accordance with the laws of the State of Florida.

WITNESSES:

WITNESSES:

STATE OF _____
COUNTY OF _____

Sworn to and subscribed this ____ day of _____, _____ by **JAMES P. BENSON**
who is personally known to me or has produced a _____ as identification.

DECLARANT:

Sun Cor Development of Northwest Florida,
L.L.C. , a Florida Limited Liability Company

JAMES P. BENSON
MEMBER

MARK T. McCARY
MEMBER

(Print Name)

(NOTARIAL SEAL)

STATE OF _____
COUNTY OF _____

Sworn to and subscribed this ____ day of _____, _____ by **MARK T. MCCARY** who is
personally known to me or has produced a _____ as identification.

(Print Name)

(NOTARIAL SEAL)

NOTARY PUBLIC
My Commission Expires: _____

EXHIBIT "A"

BEGIN AT THE SE CORNER OF LOT 3, BLOCK B OF SANTA ROSA RIDGE UNIT ONE AS RECORDED IN P.B. 4, PAGE 22, WALTON CO., FL., AND RUN N2°07'29"E ALONG THE EAST LINE OF SAID BLOCK B, A DISTANCE OF 300.00 FEET; THENCE RUN S89°17'48"E, 330.00 FEET TO THE WEST R/W LINE OF C.R. #393, BEING 33 FEET FROM CENTERLINE; THENCE RUN S2°07'29"W ALONG SAID R/W LINE, 300 FEET TO THE NORTH R/W LINE [OF] RIDGE ROAD, BEING 30 FEET FROM CENTERLINE; THENCE RUN N 89°17'48"W ALONG SAID R/W LINE, 330.00 FEET TO THE P.O.B. CONTAINING 2.25 ACRES [MORE OR LESS].

EXHIBIT “B”

[Articles of Incorporation of Summer Ridge Homeowners' Association]
[See Separate Document]

EXHIBIT “C”

[By-Laws of Summer Ridge Homeowners' Association]
[See Separate Document]

EXHIBIT “D”

[Common Area
[See Separate Document]]

EXHIBIT “E”

***[Architectural Planning Criteria for Summer Ridge]
[See Separate Document]***