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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
EMERALD WATERS VILLAGE

THIS DECLARATION, made this 4th day of February, 1998, by PARADISE DEVELOPERS, INC., a Florida corporation, whose address is 24 Walter Martin Road, Fort Walton Beach, Florida 32548, hereinafter referred to as "Declarant".

WITNESSETH

WHEREAS, Declarant is the Owner of certain real property and Declarant desires to create a development community known as EMERALD WATERS VILLAGE, on that real property described on the plat of Emerald Waters Village, according to the plat thereof recorded in Plat Book 13 at Page 27 and 27A of the Public Records of Walton County, Florida.

WHEREAS, Declarant is the Owner of certain real property described above and as to such property Declarant desires to reserve the right to develop such property in a manner consistent with this Declaration and to subject such property to the terms of this Declaration and require the Owners of "Lots", (hereafter defined) in such Development be subject to this declaration; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities in this community and to this end, desires to subject the real property described above, together with such additions thereto as may hereafter be made, to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are hereby declared to be for the benefit of said property and each and every Owner of any and all parts hereof; and

NOW, THEREFORE, Declarant desires that the real property described above is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth, all of which are for the purpose of protecting the value and desirability of the Property and which shall run with the title to the Property, shall be binding upon all parties having any right, title or interest in the property or any part thereof and their respective heirs, successors and assigns and which shall inure to the benefit of each Owner of a Lot within the property.

ARTICLE I - DEFINITIONS

Section 1. Lot. Lot shall mean and refer to any of the plots of land identifiable by lot number and shown upon the Recorded Plat which are intended for development for residential use.

Section 2. **Declarant.** Declarant shall mean and refer to PARADISE DEVELOPERS, INC., a Florida corporation, its successors and assigns, if such successors or assigns are specifically assigned Declarant's rights and assume Declarant's obligations under this Declaration.

Section 3. **Owner.** Owner shall mean and refer to the record Owner, whether one or more persons or entities, of fee simple title to any Lot, but shall not include those having such interest merely as security for the performance of an obligation.

Section 4. **Association.** Shall mean and refer to EMERALD WATERS VILLAGE OWNER'S ASSOCIATION INC., a Florida non-profit corporation, its successors and assigns.

Section 5. **Board.** Board shall mean and refer to the Board of Directors of the Association.

Section 6. **By-Laws.** By-Laws shall mean and refer to the By-Laws of the Association, the form of the initial By-Laws, is attached to this Declaration.

Section 7. **Member.** Shall mean and refer to every person or entity entitled to membership in the Association. Every person or entity who is an Owner of a Lot within the Property shall be a member of the Association.

Section 8. **Recorded Plat.** Shall mean the plat of the property recorded at Plat Book 13, at Page 27, of the Public Records of Walton County, Florida.

Section 9. **Common Property.** Common Property shall mean all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, now or hereafter owned or operated by the Association for the common use and enjoyment of the Owners. The Common Property shall include all of the land described on the Recorded Plat. The Common Property shall be owned by the Association, for the benefit of all of the Owners and is not dedicated for the use of the general public. Nothing contained herein shall limit the type of real or personal property which may be owned by the Association as Common Property.

Section 10. **Property.** Property shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 11. These definitions are subject to Article VII of this Declaration.

ARTICLE II - PROPERTY RIGHTS

Section 1. **Owners' Easements of Enjoyment.** Every Owner shall have a right and easement of enjoyment in and to the Common Property and facilities situated hereon, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to suspend the voting rights and right to use of the Common Property by an Owner for any period during which any assessment against his Lot remains unpaid, and for

a period not to exceed 60 days for any infraction of its published rules and regulations.

(b) The right of the Association to promulgate reasonable rules and regulations relative to the use of the Common Property.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with this Declaration and By-Laws, his right of enjoyment to the members of his family, his tenants, his guests, his licensees, or tenants who reside on the property.

Section 3. Regulation of Uses. The Association shall have the right to regulate the use of the Common Property through the establishment of rules and regulations.

ARTICLE III - MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. The Association shall have two classes of voting membership:

Class "A". Class A members shall be all Owners with the exception of the Declarant (who shall become a Class A member when Declarant's Class B membership ceases as provided hereafter) and shall be entitled to one vote for each Lot owned. 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.

Class "B" The Class "B" - Member shall be the Declarant, who shall be entitled to three votes for each Lot owned. The Class "B" membership shall cease and be converted to Class "A" membership when the total votes outstanding in the Class "A" membership equal the total votes outstanding in the Class "B" membership or five years following the conveyance of the first lot.

ARTICLE IV - COVENANT FOR MAINTENANCE ASSESSMENTS

Section I. Creation of the Lien and Personal Obligations of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of a Lot by acceptance of title thereunto, whether or not it shall be so expressed in such deed or other conveying instrument, is deemed to covenant and agree to pay to the Association (1) annual assessments or charges as hereinafter specified, (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, and (3) special assessments imposed upon an individual Lot Owner for repair or maintenance necessitated by the willful or negligent act of the Owner, his family, or their guests, tenants, invitees, contractors, employees, or agents. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person

who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall pass to the Owner's successors in title.

Section 2. Purposes of Assessments. The assessments levied by the Association shall be used (a) to promote the recreation, health, safety and welfare of the residents of the Property and for the improvement and maintenance of the Common Property, and (b) to fulfill the responsibilities of the Association as may relate to the drainage system, and storm water system.

The storm water retention pond and facility located to the North of the subdivision shall be used and shared with the commercial project located north of the subdivision. The cost of the repair, maintenance, and replacement of the retention pond shall be shared equally between this residential subdivision and the commercial project to the north.

In the event that the need for maintenance or repair is caused through the willful or negligent act of an Owner, his family or their guests, tenants, invitees, contractors, employees, or agents, the costs of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

Section 3. Annual Assessment. The assessment shall initially be \$900.00 per year per Lot, and may be imposed on each Lot from the date of conveyance of such Lot by the Declarant. Until the Declarant shall elect to pay annual assessments on Lots which have not been conveyed by the Declarant to others, to the extent that the revenue received from annual assessments is not adequate to pay the expenses of the Association, the Declarant shall pay the difference between such revenue and expense. The amount of such annual assessment shall be increased or decreased by the Association's Board of Directors, with the approval of a majority of the members present and voting at a meeting of the membership called for such purpose.

All Lots must be assessed equally, except as provided below. The sole exception to the foregoing shall be in the event of Maintenance or repair cost necessitated by the willful or negligent act of an Owner, his family or their guests, tenants or invitees which occasions an increased assessment to a particular Owner. Annual assessments may be collected on a monthly, quarterly, semi-annual or annual basis as the Board of Directors may establish. Initially such annual assessments shall be payable monthly.

Section 4. Provision for Reserves. There shall be included as a part of the annual assessment described in Section 3, sufficient fund to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the improvements to the Common Property which the Association is obligated to maintain.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all Members not less than 14 days nor more than 50 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of all votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half of the required quorum at

the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Date or Commencement of Annual Assessments - Due Dates. Unless the Declarant shall earlier elect to submit a Lot for payment of annual assessments, the annual assessments provided for herein shall commence as to each Lot on the date on which such Lot shall have been conveyed by the Declarant. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Lot has been paid.

Section 7. Effect of Nonpayment of Assessments - Remedies of the Association. Any assessment not paid within fifteen (15) days after the due date shall bear interest from the due date at the rate of eighteen (18%) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Property or abandonment of his Lot.

Section 8. Subordination of the Lien of Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure of any first mortgage or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Capital Contribution. At any time there is a transfer of title, the new Owner shall contribute \$250.00 for each residence on the lot to the Association, or such greater amount as required by the Declarant. 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.

ARTICLE V. - EASEMENTS

Section 1. Member's Easements of Enjoyment. Subject to the provisions of this Declaration, every Owner shall have a permanent and perpetual easement for ingress and egress over the roadways and walkways as set forth on the subdivision plat and each easement shall be appurtenant to and shall pass with title to every Lot.

Section 2. Utilities. Easements are expressly reserved for the construction, installation, replacing, repairing and maintenance of all utilities, including, but not limited to, utilities for electricity, gas, sewage, water, telephone, and cable television, and other similar lines necessary or desirable for public health and welfare. Such easements for utilities shall be confined to those areas of each of the Lots within the Property, as specifically noted

on the Recorded Plat or provided for in a separate easement recorded in the Official Records of Walton County, Florida. The Declarant reserves, and Declarant shall each have, the authority to grant specific utility easements by separate recordable instruments. The Owners of the Lots subject to easements shown on the Plat shall acquire no right, title or interest in any of the cables, conduits, pipes, mains, lines or other equipment or facilities placed on, over or under the property subject to the easements. If any Owner constructs any improvements or structure on the easement area shown on the Plat or landscapes such areas as aforesaid, the Owner of the Lot shall remove the improvements, structures or landscape items upon written request of Declarant.

Section 3. **Drainage.** Easements are expressly reserved for the construction, installation, replacing, repairing and maintenance of storm drainage facilities. Such easements for drainage shall be confined to the locations as specifically noted on the Recorded Plat.

Section 4. **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 subdivision other than Lots, so long as Declarant shall own any portion to the Property. The easements granted by the Declarant shall not adversely affect any improvements or unreasonably interfere with the owners' enjoyment of the Property.

Section 5. **Association Rights.** The Association shall have an easement for itself, it's officers, agents and employees, to enter into, upon or cross over any of the Property in the course of performing its rights and duties under this Declaration.

ARTICLE VI - ARCHITECTURAL CONTROL

Section 1. **Construction Subject to Review.** No construction, modification, alteration or improvement of any nature whatsoever (except interior alterations not affecting the external structure or appearance) 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 Board (A.R.B.) in accordance with this Article. Modifications subject to architectural control specifically include, but are not limited to) painting or other alteration of a building (including doors, windows and roof); installation of solar panels or other devices; installation of any sign; construction of fountains, swimming pools, whirlpools or other pools; construction of walls or fences; addition of awnings, gates, flower boxes, shelves, statues or other outdoor ornamentation or patterned or brightly colored window coverings; and any alteration of the landscaping or topography of the lot.

Section 2. **Procedures.** The plans to be submitted for approval shall include (a) the construction plans and specifications, including all proposed landscaping, (b) an elevation or rendering of all proposed improvements, (c) site plan, and (d) such other items as the Architectural Review Board may deem appropriate. If the Architectural Review Board fails to approve or disapprove the plans

within thirty (30) days after submission of all requested plans and specifications, approval shall be deemed to have been granted unless the applicant agrees to an extension. The Architectural Review Board may establish procedures for the review of applications, including review costs and fees, if any, to be paid by the applicant.

Section 3. Basis for Decision. The Architectural Review Board, shall on majority vote approve or disapprove the application in its discretion, based on the nature, kind, shape, height, materials and location of the proposed improvements, harmony with surrounding structures and topography, and other factors, including purely aesthetic considerations, which in the sole opinion of the Architectural Review Board will affect the desirability or suitability of the construction. The A.R.B. may grant variances from the Design Code based on architectural merit or existing topographical or landscape conditions.

Section 4. Construction. If approval is given or deemed to be given, construction of the improvements applied for may be begun, provided that all such construction is in accordance with the submitted plans and specifications. The Architectural Review Board and the Association shall have the right to enjoin any construction not in conformance with approved plans and specifications.

Section 5. Architectural Review Board. There shall be an Architectural Review Board consisting of not less than three (3) persons and a neighborhood planner. Such Board shall initially be appointed by the Declarant and shall serve for a period of five (5) years. The Architectural Review Board members shall thereafter be annually appointed by the Association's Board of Directors. In the event of any resignation or vacancy of an Architectural Review Board member appointed by the Declarant, the Declarant may appoint a replacement. In the event of any resignation or vacancy subsequent to the term during which the Declarant may appoint Architectural Review Board members, the Association's Board of Directors may appoint a replacement. Until a replacement has been made, the remaining members shall exercise the Architectural Review Board's authority.

Section 5.1 Neighborhood Planner.

(a) Selection. The Neighborhood Planner is initially selected by the declarant. The Neighborhood Planner shall serve until choosing a successor, or until the Board replaces the Neighborhood Planner with a successor. However, while the declarant owns at least three Lots or holds any property within EMERALD WATERS VILLAGE for sale in the normal course of business, the declarant, rather than the Board, may select any successor or replacement, unless the declarant permanently waives that right in writing.

(b) Qualification. The Neighborhood Planner shall be a trained architect or shall have a masters degree in urban design from an accredited university, or shall have comparable qualifications. The Neighborhood Planner does not, however, need to be licensed to practice in Florida unless required by the state.

(c) Compensation. The Association shall pay the Neighborhood Planner reasonable compensation, as determined from time to time by the Board.

Section 5.2 Modification of Design Code. The Neighborhood Planner may revise any part of EMERALD WATERS VILLAGE from time to time for any of the following reasons:

(a) To make changes with the Neighborhood Planner believes will better accomplish the objectives of EMERALD WATERS VILLAGE.

(b) To adjust for market conditions so as to improve the value of all or some of the lots; or

(c) To recognize changing land use conditions over time, both from within and outside EMERALD WATERS VILLAGE.

While the declarant owns at least three lots or holds any property within EMERALD WATERS VILLAGE for sale in the normal course of business, the declarant must approve any modification to the Design Code believes will better accomplish the objectives of EMERALD WATERS VILLAGE.

Section 6. Liability. Neither disapproval nor approval by the Architectural Review Board shall constitute a basis for any liability of the Architectural Review Board or any member thereof for any reason, including in the event of approval, any failure of the plans to conform to any applicable building codes or any inadequacy or deficiency in the plans resulting in defects in the improvements.

Section 7. Notification: Construction. The A.R.B. shall notify the applicant in writing if its decision within thirty (30) days of receiving a completed application. 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.

Section 8. Enforcement. If any construction is begun which has not been approved or which deviates substantially from the approved plans, the A.R.B., Neighborhood Planner, the declarant or the Association may bring an action for specific performance, declaratory decree or injunction.

Section 9. Design Code. The Declarant has caused to be prepared "EMERALD WATERS VILLAGE Design Code", hereinafter referred to as the "Design Code", which is the applicable standard and guideline for construction and improvement of the lots. Each lot owner, by acceptance of title to a lot, covenants to comply with the "Design Code", as such Design Code exists on the date of the purchase of such lot. The Design Code is on file with the Declarant. Subsequent amendments to the Design Code may be made by decision of the Architectural Review Board and shall thereafter be binding on all lot owners acquiring ownership of a lot subsequent to the date of such amendment, provided notice of such amendment has been provided to the affected lot owner prior to purchase.

ARTICLE VII - USE RESTRICTIONS

Section 1. Residential Use. Each individual Lot shall be used and occupied for residential purposes only. Except as provided below, only one primary residence shall be constructed on each Lot.

The foregoing shall not prohibit construction of a single residence on two (2) Lots which are combined as a single homesite. Except as otherwise expressly set forth herein, no business or commercial building may be erected on any Lot and no business may be conducted on any part thereof. Notwithstanding the foregoing, the use of the dwelling for home occupation shall be allowed provided that such use shall be clearly incidental and subordinate to its use for residential purposes by its occupants, and shall under no circumstance change the residential character of the structure; there shall be no change in the outside appearance of the building or premises, or other visible evidence of the conduct of such home occupation; no traffic shall be generated by such occupation in greater volumes than would normally be expected in a residential neighborhood; and no equipment, tool or process shall be used in such home occupation which creates interference to neighboring properties due to noise, vibration, glare, flumes, odors or any electrical interference.

1.(a) Residential use: One residence shall be permitted to be constructed on a single family lot, except as set forth below.

1.(b) Multiple residential use:

(i) Two residences shall be permitted to be constructed on a "Villa Lot". There are thirty-two (32) Villa Lots, to-wit: Lots 1, 2, 3, 4, 10, 12, 14, 16, 18, 19, 47, 49, 50, 51, 52, 53, 55, 57, 59, 60, 61, 62, 63, 65, 67, 70, 71, 72, 73, 74, 75, and 76.

(ii) Three Residences shall be permitted to be constructed only on a combination of two (2) "Grande" Lots, to-wit: Lots 5 and 7, or, Lots 9 and 11.

For any of the lots described immediately above in 1(b)(i) and 1(b)(ii), and referenced herein as either a "Villa Lot" or a "Grande Lot", the owner or owners of those lots shall have the right and option to record a declaration of condominium for those lots, at their election, for the purpose of selling or conveying the separate ownership of each residence.

Should these lots be used for multiple residences, then each lot shall be charged an assessment based upon the number of residences located thereon and shall have a corresponding membership and vote within the owners Association.

Should a Villa Lot or a Grande Lot be used only for a single-family residence, then it shall only be charged with one (1) assessment and correspondingly entitled to one (1) vote within the Association.

1. (c) With prior H.O.A. approval a single Owner of two adjacent or abutting lots may disregard the setbacks between his lots, providing the density remains less or equal to the density allowed on each lot combined and providing no subdivision may be done after the setback has been eliminated.

Section 2. Resubdivision. The Declarant may re-subdivide or replat the said land in any way it sees fit for any purpose whatsoever consistent with the development of the subdivision. The restrictions herein contained, in case of any such replatting or resubdividing, shall apply to each Lot as replatted or resubdivided. Except for the rights as granted to Declarant under this paragraph,

no Lot shall be further subdivided or separated into smaller parcels; provided, however, that this shall not prohibit corrective deeds or similar corrective instruments. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions of this Declaration.

Section 3. Noxious or Offensive Activities. No noxious or offensive activity, shall be carried on upon the property nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 4. Temporary Structures. No structure of a temporary character, mobile home, portable shed, tent, shack or other such outbuilding shall be permitted on any lot at any time. This prohibition shall not apply to contractor's shelters used during the construction of the main dwelling but such temporary shelters must be removed upon substantial completion of the construction.

Section 5. Utility Connections. Building connections for all utilities, including, but not limited to, water, electricity, telephone and television shall be run underground from the proper connection points to the building structure in such a manner as is acceptable to the appropriate utility authority. The Owner shall assume and pay as the same shall become due, the cost of installation and maintenance of the underground utility system from primary utility lines.

Section 6. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, excepting dogs, cats or other household pets which may be kept, provided such pets do not cause an unreasonable disturbance or annoyance to the Owner of another Lot within the Property and they are not kept, bred or maintained for any commercial purposes. No pet shall be allowed to roam free and shall be on leash or similar means of control at all times. Certain portions of the Common Property may be designated as areas in which pets are prohibited.

Section 7. Vehicle Parking. No automobile, truck, boat, boat and trailer, trailer, house trailer, mobile home, camper, or other similar vehicle shall be parked on any roadway (including the unpaved portion of the right-of-way thereof) overnight. No mobile home, camper, boat, boat and trailer, or trailer alone shall be parked for any period of time or stored or otherwise permitted to remain on any Lot except in an approved or garage. No automobile, truck or other commercial vehicle which contains lettering or advertising thereon 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 carport or garage. Driveways must be able to accommodate two (2) cars so as to prevent on-street parking.

Section 8. Driveways. No driveway shall be constructed, maintained, altered or permitted to exist on any Lot if the driveway obstructs or impedes the flow of surface drainage in the area adjacent to the Lot or in the street right-of-way or any swale area adjoining or abutting the Lot.

Section 9. Garage and Trash Containers. 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 sanitary containers within an enclosure constructed as part of each dwelling in a location approved by the Architectural Review Board. All Lots

shall be kept free of the accumulation of rubbish, trash, garbage, other solid waste materials, and all unsightly or dead plant material. No incinerators or other fixed equipment shall be used for the collection, storage or disposal of solid waste material.

Section 10. Outdoor Drying of Laundry. Outdoor drying of laundry shall be prohibited. No rugs, drapes, or other items shall be hung from any portion of the exterior of any residence.

Section 11. Signs. No sign of any kind shall be displayed to the public view on any Lot, except one sign of not more than six inches by eighteen inches stating either the name of the Owner of the Lot or the "Name" of the dwelling and street number, one sign of not more than eight inches by twelve inches advertising the property for sale, and a sign used by a builder to advertise his construction project and permits during the construction of the main dwelling. "For Rent" signs are prohibited. All signs are subject to Architectural Review Board approval. This restriction does not apply to signs of Declarant, its agents or assigns during the sale period of the Lots or to the Association in furtherance of its powers and purposes under this Declaration.

Section 12. Games and Play Structures. All play structures shall be located at the rear of the dwelling, or on the inside portion of corner Lots within the setback lines. No platform, doghouse, playhouse, or structure of a similar kind or nature, shall be constructed on any part of a Lot located in front of the rear line of the residence constructed thereon, and any such structure must have prior approval of the Architectural Review Board.

Section 13. 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 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 property. Any damage to roadways, right-of-way swells and plantings resulting from construction activities shall be corrected in a timely manner by the Owner of the Lot upon which such construction is undertaken.

Section 14. Casualty Damage. In the event of damage or destruction by fire or other casualty to any improvements located upon a Lot, the Owner of such improvements shall repair or rebuild such damage or destroyed improvements in a good and workmanlike manner, within a reasonable time not to exceed one (1) year and in accordance with the provisions of these covenants. All debris must be removed and the Lot restored to an orderly condition within sixty (60) days of such damage or destruction.

ARTICLE VIII - MAINTENANCE

Section 1. Lots. Each Owner shall be responsible for the maintenance of his Lot, including exterior and interior maintenance of the dwelling situated hereon. If the Board of Directors

determines in its discretion that any Owner has failed to maintain any part of his Lot, including improvements, in good order and repair, free from debris, the Association, by a majority vote of the Board of Directors and twenty days after notice to the Owner, shall have the right without liability to enter upon such Lot to correct, repair, restore, paint, maintain and clean up any part of the Lot and to have any objectionable items removed. All costs related to such action shall be assessed to the Owner as a special assessment imposed upon the individual Owner.

Section 2. Common Property. The Association shall maintain all improvements which are or may become part of the Common Property.

Section 3. Damage. If any of the Common Property improvements or any part thereof are damaged through the negligent or willful acts of an Owner, his family, tenant, guest or invitee, the cost of any necessary repair or replacement may be assessed to that Owner as a special assessment imposed upon the individual Owner.

ARTICLE IX. - INSURANCE

Section 1. Association Authorized to Insure. The Association may purchase insurance to provide the following described coverages:

(a) Liability Insurance. Comprehensive general liability insurance coverage covering all Property, and public ways as are owned by the Association. Coverage under such policies may include, without limitation, legal liability of the insured for property damage, bodily injuries and death of persons in connection with the operation, maintenance or use of the Common Property, and legal liability arising out of law suits related to employment contracts of the Association. Such coverage shall include, if available, a cross liability endorsement to cover liabilities of the Owners as a group or as an Association to an individual Owner.

(b) Fidelity Bonds. Fidelity bonds may be required to be maintained by the Association for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. If the responsibility for the handling of funds has been delegated to a management agent, fidelity bonds shall also be required for its officers, employees and agents handling or responsible for funds of or administered on behalf of the Association. Such fidelity bond coverage shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond.

(c) Casualty Insurance. Casualty insurance for all improvements to the Common Property to cover the full replacement cost, which coverage may include extended coverage, vandalism, malicious mischief, windstorm, flood, and any other coverage deemed desirable by the Association.

(d) Directors Liability. The Board of Directors may obtain liability insurance insuring against personal loss for actions taken by members of the Board of Directors in the performance of their duties, such coverage to be of the type and amount determined by the Association.

Section 2. Premiums. Premiums upon insurance policies purchased by the Association is a common expense.

ARTICLE X. - COMMON TAXES

In the event any taxing authority having jurisdiction over the Property shall levy or assess any tax or special assessment against the Common Property, then such tax or special assessment shall be separately levied and collected as a special assessment by the Association against all of the Owners. Such special assessment by the Association shall be separately identified by the Association and unless otherwise expressly stated, shall be due, payable and collectible as provided for assessments in Article IV.

ARTICLE XI - TOTAL OR PARTIAL CONDEMNATION

The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Property, or part thereof. Each Owner hereby appoints the Association as attorney-in-fact for such purpose. In the event of a taking or acquisition of part or all of the Common Property by a condemning authority, the award of proceeds or settlement shall be payable to the Association for the use and benefit of the Owners and their mortgagees as their interest may appear. Such proceeds, if not utilized by the Association for the purpose of restoring or replacing the Common Property which has been taken, shall be disbursed in equal shares to the Owners and their mortgagees, as their interest may appear.

ARTICLE XII- GENERAL PROVISIONS

Section 1. **Enforcement.** The Declarant, Association, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure of the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Any and all costs, including but not limited to attorney fees and court costs which may be incurred in the enforcement of any of the provisions of this Declaration, regardless of whether such enforcement requires judicial action, shall be assessed to the Owner against who such action was taken.

Section 2. **Severability.** Invalidation 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 3. **Duration.** The covenants and restrictions of this Declaration shall run with and bind the land, 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 often (10) years unless seventy-five percent (75%) of the Members of the Association decide that such covenants, conditions and restrictions shall abate, which decision, if made, shall be evidenced by an agreement in writing signed by seventy-five percent (75%) of the membership, setting forth their decision, which document shall be effective when duly recorded in the Public Records of Walton County, Florida.

Section 4. Notices. Any notice required to be sent to the Owner of any Lot under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the Lot and, different, to the last known address of the person who appears as Owner of such Lot as that address is stated on the records of the Association at the time of such mailing.

Section 5. Availability of Records and Other Documents. The Association shall make available to the Owner of any Lot current copies of this Declaration, the Articles of Incorporation and By-Laws of the Association and the books, records and financial statements of the Association. Such items shall be available to any of the described parties for inspection upon request during normal business hours or under other reasonable circumstances. Copies shall be provided for a nominal fee to reimburse the Association for any expense which may be incurred.

Section 6. Amendment. This Declaration may be amended by an instrument signed by not less than seventy-five (75%) of the votes of the lot owners within the Property. Any amendment shall be evidenced by recording in the Public Records of Walton County, Florida.

Section 7. Gender and Number. The singular shall include the plural, wherever the context so requires, and necessary grammatical changes required to make the provisions of this Declaration apply either to individuals, corporations or other entities, masculine or feminine shall in all cases be assumed as though in each case fully expressed.

Section 8. Additions to Existing Property. Declarant may from time to time bring other land under the provisions hereof by recorded supplemental declarations or declarations of annexation (which shall not require the consent of Owners or the Association or any mortgagee) and thereby add to the property. Nothing herein, however, shall obligate Declarant to add to the existing property nor to prohibit Declarant from rezoning and changing those plans with respect to such future addition of other property.

Section 9. Declarant's Rights of Modification/Variances Additions. Declarant, 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, such modifications, amendments or variances are deemed useful or proper. Declarant may also make other restrictions applicable to each Lot by appropriate provision in the contract for deed 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 within the subdivision and shall bind the grantee and their respective heirs, successors or transferee in the same manner as though they had been expressed herein.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed by its duly authorized officers and its seal to be hereunto affixed all as of the date and year first written above.

Signed, sealed and delivered
in the presence of:

PARADISE DEVELOPERS, INC.,
a Florida corporation

By: F. Gerald Maples
F. Gerald Maples, President

(Corporate Seal)

Type Name JAMES G. HARDAGE

Type Name: NIKOLA B. PERCEVIC

STATE OF FLORIDA

COUNTY OF OKALOOSA

The foregoing instrument was acknowledged before me this 24th day of January, 1998, by F. GERALD MAPLES, as President of PARADISE DEVELOPERS, INC., a Florida corporation, on behalf of said corporation.

(check one):

OR

He is personally known to me.

He produced _____
as identification.

NOTARY PUBLIC

My Commission Expires:

VILLAGE\Declaration
#6338bjg



James G. Hardage
MY COMMISSION # CC518410 EXPIRES
April 26, 2000
BONDED THRU TROY FAIN INSURANCE, INC.