DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR MAGNOLIA GLEN PHASE ONE

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STATE OF FLORIDA COUNTY OF SANTA ROSA

This Declaration of Covenants, Conditions, Restrictions and Easements for Magnolia Glen Phase One ("Declaration") is made on the date last executed below, by Timberland Contractors, LLC, a Florida limited liability company ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of all the property described in the attached Exhibit "A", which property is the subject of the plat of Magnolia Glen Phase One, to be recorded in the public records of Santa Rosa County, Florida; and

WHEREAS, the Lots within Magnolia Glen Phase One will be used for single-family dwellings. The utility easements within Magnolia Glen Phase One will be used by the various utility providers to furnish services to the neighborhood. The common areas within Magnolia Glen Phase One will be transferred to a homeowners' association, a non-profit Florida corporation formed or to be formed by Declarant, which corporation will own such areas for the benefit of the homeowners in Magnolia Glen Phase One.

NOW THEREFORE, Declarant hereby establishes this Declaration of Covenants, Conditions, Restrictions and Easements for Magnolia Glen Phase One, which will run with the land and be binding on and inure to the benefit of every Owner of property within Magnolia Glen Phase One.

ARTICLE I DEFINITIONS

The following definitions apply wherever the capitalized terms appear in this Declaration. Both the singular and the plural version of the defined term shall be deemed to be included. Additional terms also may be defined the first time they appear.

- 1.1 "Articles" means the Articles of Incorporation of the Association, filed with the Secretary of State of Florida, as amended from time to time.
 - 1.2 "Assessments" means, collectively, the following charges:
- (a) "General Assessment" means the amount charged to each Member to meet the Association's annual budgeted expenses.
- (b) "Individual Lot Assessment" means the amount charged to a Member's individual Lot for any charges particular to that Lot.
- (c) "Special Assessment" means a charge to each Member for capital improvements or emergency expenses.

- 1.3 "Association" means the Magnolia Glen Property Owners' Association, Inc., a Florida not for profit corporation, its successors and assigns, formed or to be formed by Declarant.
 - 1.4 "Board" means the Board of Directors of the Association.
 - 1.5 "Bylaws" means the Bylaws of the Association.
- 1.6 "Common Property" means those tracts of land that are: (a) deeded to the Association and designated in the deed as Common Property; or (b) labeled as a Common Area on the Plat including Parcel "A" Common Area and the rights of way identified on the Plat as Magnolia Glen Drive, Micanopy Drive, and Cedar Key Drive. The term "Common Property" also means any personal property appurtenant to any real property owned by the Association or acquired by the Association if the personal property is designated as such in the bill of sale or other instrument conveying it. "Common Property" does not mean any area that is dedicated in the Plat to the County or other party other than the Association or sold to the Association.
- 1.7 "Declarant" means Timberland Contractors, LLC, a Florida limited liability company, its successors and assigns. Declarant may also be an Owner. The various rights of Declarant under this Declaration may be separated and assigned to different parties and, if so assigned, each assignee will be considered "Declarant" as to the specific rights so assigned. Declarant may collaterally assign its rights as Declarant by mortgage or other instrument, and such assignees may elect to either exercise the assigned rights or designate another party to exercise such rights if such assignees succeed to Declarant's interest in Magnolia Glen Phase One or any portion thereof.
- 1.8 "Declaration" means this Declaration of Covenants, Conditions, Restrictions, and Easements for Magnolia Glen Phase One and all supplements and amendments to this Declaration.
- 1.9 "Governmental Authorities" means the Board of County Commissioners of Santa Rosa County, Florida and its agencies and departments, the State of Florida Department of Environmental Protection, the Northwest Florida Water Management District or any other governmental entity involved in the planning, permitting and development approval process of Magnolia Glen Phase One.
- 1.10 "Lot" means any lot shown on the Plat along with any improvements constructed on the Lot.
- 1.11 "Member" means a member of the Association. Each Owner is also a Member. There are two classes of Members as further defined below.
- 1.12 "Mortgagee" means any institutional lender that holds a bona fide mortgage encumbering a Lot. The term "institutional lender" specifically includes, but is not limited to, a bank, credit union, savings and loan association, mortgage lending company, insurance company, securitized trust, and the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal Housing Administration, Department of Housing and Urban Development, Department of Veterans Affairs or similar federal, state, or local agency.

- 1.13 "Owner" means the record owner, whether that be one or more persons or entities, of fee simple title to any Lot, or a life estate in any Lot. "Owner" does not mean a Mortgagee.
- 1.14 "Plat" means the plat of Magnolia Glen Phase One and the plats of any additional land annexed to and made part of Magnolia Glen Phase One from time to time.
- 1.15 "Principal Builder" means Timberland Contractors, LLC., a Florida limited liability company, its successors and assigns.
- 1.16 "Public Records" means and refers to the Official Records of Santa Rosa County, Florida.
- 1.17 "Rules and Regulations" means rules and regulations established by the Association pursuant to the Bylaws.
- 1.18 "Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity or quality of discharges from the system, as permitted pursuant to Chapter 62-330, F.A.C. The Stormwater Management System includes, but shall not be limited to: the Parcel "B" Dry Private Stormwater Pond, the 5 foot wide Private Drainage Easements adjoining and along each lot line; the 10 foot wide Private Drainage/Access Easements as shown on the rear lot line of Lots 1 through 7, and 10 through 16, inclusive, Block D; the 20 foot wide Private Drainage/Access Easement adjoining the East line of Lot 1, Block F; the 10 foot wide Private Drainage/Access Easement adjoining the North line on Lot 1, Block F; the 30 wide Private Drainage/Access Easement adjoining the South line of Lots 6 through 11, inclusive Block B; as those areas are depicted on the Plat.
- 1.19 "Subdivision" refers to Magnolia Glen Phase One, the Plat of which is recorded in the public records, and to any land later annexed as additional phases and made subject to this Declaration, from time to time.
- 1.20 "Turnover" refers to the point in time in which the control of the Association is transferred to the Class A Members, being three (3) months after all phases of community have been completed and made subject to this Declaration, and ninety percent (90%) of the Lots within all phases of community have been conveyed to Members other than the Class B Member. The phrase "parcels in all phases of the community" means any additional phases developed or to be developed by Declarant in the future upon adjoining properties or properties adjoining such adjoining properties.

ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION

This Article describes the real property of which the Subdivision will initially be comprised and provides the method by which additional property may be added.

- 2.1 Initial Property. The property initially subject to this Declaration consists of the Subdivision.
 - 2.2 Annexation of Additional Property.
- (a) Authority. Additional property may be annexed by the Declarant or the Association. The Association may only annex additional property after termination of the Class B membership. Unless waived by recorded instrument, Declarant will have the right, but not the obligation, from time to time in its sole discretion, to annex any property to the Subdivision, if such property is adjacent to or abuts any property shown on the Plat. In determining whether the property to be annexed is adjacent to or abuts the property shown on the Plat, Declarant may disregard any roads that are situated between the Subdivision and the property to be annexed.
- (b) Procedure. The party affecting the annexation shall record a supplemental declaration in the Public Records. The supplemental declaration shall be executed by either Declarant, its assigns, or the president of the Association. The supplemental declaration shall contain the legal description of the property being annexed. The supplemental declaration may contain special provisions applicable to the property being annexed. These special provisions may limit the applicability of specific covenants, restrictions, and easements contained in this Declaration to the annexed property or may impose additional or different covenants, conditions, or restrictions to reflect the different character of the property being annexed. The party making the supplemental declaration will have sole discretion to determine the special provisions to be contained in the supplemental declaration; however, no special provisions may be included that exempt the owners of the property being annexed from equitably sharing in any common expense of the Subdivision. Upon recording the supplemental declaration, the annexed property will become part of the Subdivision.

ARTICLE III USE OF PROPERTY; ARCHITECTURAL REVIEW AND CONSTRUCTION REQUIREMENTS

To ensure that the homes and accessory buildings within the neighborhood are harmonious, Declarant will create an architectural review committee (the "Architectural Review Committee") to approve construction pursuant to Section 3.2 below. The Architectural Review Committee's discretion and authority shall be limited to that specifically contained herein. The Architectural Review Committee shall not have the authority to grant variances.

3.1 Architectural Review Committee.

(a) Composition. The Architectural Review Committee will consist of a single person or a committee of persons selected by Declarant. Declarant may temporarily delegate this right to appoint members or may assign this right by written instrument recorded in the Public Records. Members of the Architectural Review Committee will serve at the pleasure of the entity entitled to select the members and may be replaced at any time. If Declarant (or assignee) fails to appoint at least one person to the Architectural Review Committee and such vacancy continues for thirty (30) days after the Association gives written notice to Declarant (or assignee) of such vacancy, the Association will have the right to appoint the members of the Architectural Review

Committee until such time as Declarant (or assignee) exercises its right of appointment. At such time as Declarant (and/or its affiliates) owns no Lots within the Subdivision or any property that it plans to annex as additional phases, the Association shall have the exclusive right and obligation to select the members of the Architectural Review Committee.

(b) Professional Advisor. The Architectural Review Committee may employ one or more architects or land planners to advise the Architectural Review Committee. Each advisor may sit on the Architectural Review Committee as either a voting or nonvoting member, at the discretion of the other members of the Architectural Review Committee. At the discretion of the Architectural Review Committee, the advisor may be paid a reasonable fee derived from application fees or payable by the Association from the General Assessment.

3.2 Architectural Review Procedure.

- (a) Construction Subject to Review. All construction, improvements, remodeling, or modification on or to a Lot, except interior alterations not affecting the external appearance of the Lot or improvements on a Lot, must be approved in advance by the Architectural Review Committee. This specifically includes, but is not limited to, replacement of roof or other parts of a building other than with duplicates of the original material; construction of privacy walls or other fences or gates; alteration of a building, including additions of awnings, window coverings, gazebos, shades, pergolas, or other exterior coverings or shades; and installation of a well. Construction effected by or on behalf of Declarant will not be subject to approval by the Architectural Review Committee. Meetings of the Architectural Review Committee will be held in accordance with Section 720.303, Florida Statutes, as amended from time to time.
- (b) Application. The plans to be submitted for approval shall include: (i) the construction plans and specifications, including all proposed clearing and landscaping; (ii) elevations of all proposed improvements; (iii) a survey of the Lot showing current improvements; and (iv) 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 the submitted plans. Any modification to the approved plans must also be reviewed and approved by the Architectural Review Committee.
- (c) Basis for Decision. The Architectural Review Committee, in making its decisions, may consider purely aesthetic matters that in the sole opinion of the Architectural Review Committee will affect the desirability or suitability of the construction.
- (d) Energy Devices Based on Renewable Resources. Nothing herein shall prohibit or have the effect of prohibiting solar panels or other energy devices based on renewable resources from being installed on the roofs of improvements on a Lot. The Architectural Review Committee must determine the specific location where solar panels may be installed on roofs of improvements to the south or within forty-five (45) degrees east or west of due south if such determination does not impair the effective operation of the solar panels.
- (e) Application Fee; Deposit. The Architectural Review Committee may establish procedures for the review of applications and impose a reasonable fee to be paid by the applicant. The Architectural Review Committee also may require an applicant to post a security

deposit to ensure that all work is affected only in accordance with approved plans. The Architectural Review Committee may retain the security deposit until all work has been completed in accordance with the approved plans.

- (f) Notification of Approval. The Architectural Review Committee must notify an applicant in writing of its decision within forty-five (45) days of receiving a completed application. If approval or disapproval is not given within forty-five (45) days after submission of a completed application, the application will be deemed approved unless the applicant agrees to an extension, provided, however, that a request by the Architectural Review Committee for additional information shall halt the running of the forty-five (45) day period.
- (g) Enforcement. If any construction or modification is undertaken that has not been approved or that deviates in any material manner from the approved plans, Declarant or the party delegated or assigned Declarant's right to appoint the Architectural Review Committee or the Association, may bring an action for specific performance, declaratory decree, or injunction, and will be entitled to recover all costs incurred in enforcing these provisions, including all presuit and post-suit attorney fees. Any such enforcement action also shall determine entitlement to any retained security deposit. At such time as Declarant (and/or its affiliates) owns no Lots within the Subdivision, the Association and each Owner will have the right to enforce these provisions. The failure to strictly enforce these provisions as to a particular violation or violations will not be deemed a waiver to enforce these provisions as to future or continuing violations.
- 3.3 Liability. The Architectural Review Committee and Declarant will not be liable to the applicant or to any other party to ensure that the proposed plans comply with any applicable building codes, for inadequacy or deficiency in the plans resulting in defects in the improvements, or to ensure the construction was done in accordance with the plans. In the event any action, proceeding or claim is made or brought against the Architectural Review Committee, the Association shall indemnify, hold harmless and defend the members of the Architectural Review Committee against such action, proceeding or claim.
 - 3.4 Specific Restrictions. The following restrictions shall apply to the Lots:
- (a) Residential Building. No building or structure may be erected, placed or permitted to remain on any Lot other than one single-family dwelling, a swimming pool, unenclosed or with a screen enclosure, if desired, and the following two detached structures, (1) a mother-in-law suite and (2) an outside storage building or detached garage not to exceed 900 square feet, all built in compliance with Santa Rosa County's building requirements. All dwellings must be new in construction. No detached structure may be constructed prior to the completion of the construction of the primary structure.
- (b) Building Restriction Lines. No dwelling shall be located nearer to the streets or adjacent Lots than the applicable building setback requirements as shown on the Plat. Waiver of the fixed setback requirements is hereby granted for unintentional violations that do not exceed ten percent (10%) of the setback distance in question. In the event of any controversy between setbacks as shown on the Plat or as stated in other covenants, the Plat shall have dominance over these covenants. All setbacks and variances shall be in accordance with the rules and regulations as set forth by Santa Rosa County, Florida.

- (c) Minimum Floor Space; Roof Pitch; Base Height. Each dwelling located must contain at least 2,000 square feet of heated and cooled living space. "Living space" means only enclosed livable floor area and does not include garages, porches (open or with screened enclosures), terraces or patios.
- (d) Driveways. All Lots must have a paved driveway of stable and permanent construction extending from the adjacent street to the dwelling. All driveways must be concrete. An existing driveway constructed with the dwelling may be altered to accommodate additional parking or to extend to a detached storage building or garage. Any alterations to existing driveways must be of professional grade and with concrete material.
- (e) Pools, Play Facilities, and Lighting. Swimming pools, hot tubs, and whirlpools may be erected by a licensed contractor on a Lot in a completely fenced rear yard. All swimming pools, hot tubs, and whirlpools must be well maintained. Play facilities, recreation structures, platforms, dog houses, or other structures of a similar kind or nature must be installed in the rear of the dwelling and be well maintained. Attached basketball goals are allowed and may be visible from the street. Portable basketball goals are allowed and may be visible from the street so long as they are kept in good condition. However, portable basketball goals shall never be placed in the roadway or street.
- (f) Garage. Each dwelling must have an enclosed garage to accommodate at least two (2) and not more than three (3) cars. No carports will be permitted. No garage may be enclosed permanently or converted to another use without the construction of another garage on the Lot. Such construction must meet the requirements contained herein and must match the materials of the existing dwelling's exterior and be harmonious in color with the existing dwelling's exterior.
- (g) Non-Interference with Easements. No structure, planting, or other material may be placed or permitted to remain on a Lot if it may damage or interfere with the installation and maintenance of any entry way, hedge, planting, tree, grass, fence or other improvement or landscaping located within the Common Property. Any easement area located on a Lot and all improvements on an easement area shall be maintained by the Owner of the Lot whereon the easement area lies, except for those easement areas the maintenance of which is the responsibility of a public authority, utility, or the Association. In any event, an Owner may not interfere with the maintenance of an easement area on the Owner's Lot by the party responsible for maintaining the same. This provision may be enforced by any person or party benefiting from the easement or responsible for the maintenance of the easement.
- (h) Utility Connections. Connections for all utilities including, but not limited to, water, sewage, electricity, telephone, and television must be run underground from the connecting point therefrom to the dwelling in such a manner as is acceptable to the respective utility authority or company. Wells may be installed only for irrigation purposes.
- (i) Air Conditioning Units. No window air conditioning unit will be permitted on any Lot. Installation of mini-split HVAC systems shall be allowed.

- (j) Mailboxes. In that a centralized mailbox area is part of the Common Property, no mailboxes, paper boxes, or other receptacles of any kind for use in the delivery of mail, newspapers, magazines, or similar material shall be erected or permitted upon any Lot.
- (k) Antennae, Aerials, and Satellite Dishes. No antennae or aerial may be placed on any Lot or affixed to the exterior of any building, and no antennae or aerial placed or affixed within a building may extend or protrude beyond the exterior of such building or in any way be visible from outside the building. Under no circumstances shall any satellite dish exceed 36 inches in diameter. Satellite dishes may only be affixed to the rear of a home and must not be visible from the street in front of the building.
- (l) Clothes Drying Area. No clotheslines or other facilities or apparatus for the drying of clothes outside of a dwelling shall be constructed or maintained on a Lot if viewable from other Lots, Common Property, or adjacent roads unless construction of such clotheslines or other facilities or apparatus for the drying of clothes outside of a dwelling is approved by the Architectural Review Committee. Such approval shall not be unreasonably withheld pursuant to Fla. Stat. 163.04.
- (m) Signs. No sign of any kind shall be displayed to general view on any Lot (whether freestanding, attached to a building, or displayed in a window) except under any of the following circumstances:
- i. Directional or traffic signs and entrance or other identification signs may be installed by or with the consent of the appropriate governmental authority, by Declarant, or by the Board;
- ii. Declarant and Principal Builder may display signs for the sale of Lots, homes and promotion of the Subdivision;
- iii. One "For Sale" sign not more than two square feet (as measured on each side of the sign) may be displayed on a Lot by the Owner or the agent for such Owner; and
- iv. A small sign indicating a security company may be displayed near the front door. A sign no larger than two feet by three feet, advertising a company may be displayed, but only during the period that the company is working on the property on which the sign is displayed.
- v. No other signs may be displayed either inside or outside the building of any Lot except for special occasions such as garage sales or parties and then for a period not to exceed twenty-four (24) hours.
- (n) Fences and Drainage Easements. All fences, hedges, walls or the like constructed upon any Lot shall comply with all applicable regulations of the relevant Governmental Authorities. All fences shall be of pressure-treated wood or vinyl (dark brown, white, or tan, only) and must not exceed six (6) feet in height. Fences shall remain natural in color. No fence may be constructed closer to the street than ten (10) feet behind or to the rear of the front face of the front corner of the dwelling (excluding garage). If a corner Lot, no fence may be constructed any closer to the side street than the building setback required from the side street by

the Plat. The rear Lot line shall be defined as being approximately parallel to the rear corners of the home and perpendicular to the boundary of the side Lot lines.

- (o) Completion of Construction and Repairs. Other than original new home construction, all construction of improvements of a Lot and the construction, repair, or remodeling of any improvement must be completed within four (4) months after commencement. All waste shall be contained during construction and any debris that becomes scattered shall be picked up immediately by the person or company performing the construction. All waste containers and portable restrooms must remain on the Lot during construction and shall never be placed on the roadway or street.
- (p) Sales Offices. Notwithstanding anything in this Declaration to the contrary, Declarant and any other parties approved, in writing, by Declarant may construct and maintain sales offices, model homes, and sales trailers, together with a sign or signs relating thereto, on a Lot or Lots or on any other property within the Subdivision until such time as all of the Lots are sold.
- (q) Destruction or Damage to Subdivision Improvements. Owners will be responsible for any and all damage caused to Common Property or Subdivision improvements including, but not limited to, curbs, gutters, water hydrants, sidewalks, power poles, or fences erected by anyone, whether such damage is caused by the Owner or the Owner's employees, agents, invitees, guests, contractors, or subcontractors. Owners will, during construction, create such barricades or fencing as is required to prevent erosion of soils onto Common Property, public roads, or other Lots and police the areas of trash caused by those constructing improvements to the Owner's Lot. Any liability incurred under this provision will be both a personal obligation and an Individual Lot Assessment on such Owner's Lot.
- (r) Lot Drainage. As part of the Subdivision design process, the Declarant may have created a Santa Rosa County, Florida, approved master drainage plan for the Subdivision, in which case the master drainage plan information may be contained on the recorded Plat and/or the construction plans for the Subdivision, a copy of which may be viewed or obtained from the Santa Rosa County Planning and/or Engineering Departments or from Declarant. Each Owner shall be deemed to know the requirements of any approved master drainage plan and therefore shall comply with the provisions of the approved master drainage plan for the Subdivision. No elevation or topography changes shall be permitted on any Lot which materially affects the surface grade or drainage on said Lot or any adjoining Lot or property. Easements located on each Lot shall be accessible for maintenance at all times.
- (s) Maintenance of Exteriors. Each Owner shall at all times maintain the exterior of all structures on the Owner's Lot and any and all fixtures attached thereto in a manner that is aesthetically pleasing, consistent with the overall aesthetics of the Subdivision.
- (t) Noxious Vegetation. No Owner may permit the growth of noxious weeds or vegetation on the Owner's Lot or on the land lying between the street pavement and the front lot line of Owner's Lot. All unimproved areas of a Lot must be maintained in an attractively landscaped and sightly manner.

- (u) Litter, Trash, and Garbage. No garbage, trash, refuse, or rubbish may be deposited, dumped, or kept on any Lot except in closed sanitary containers. Sanitary containers shall be stored out of view from the streets or roadways and may be stored in the garage or in a completely fenced rear yard. Trash containers must be placed at the front of the Lot on the day designated for pickup and promptly returned to the proper storage area as soon as possible.
- (v) Nuisances. No Owner may cause or permit unreasonable noises or odors on the Owner's Lot. No Owner may commit or permit any nuisance, any immoral or illegal activity, or anything that may be an annoyance or a noxious or offensive activity to the other Owners or their guests. Soliciting within the Subdivision is strictly prohibited.
- Parking of Wheeled Vehicles, Boats, and Water Vessels. Cars, trucks, (w) tractors, recreational vehicles, golf carts and trailers (collectively called "Vehicles") must be kept at all times completely inside a garage or on the driveway and are not permitted to be parked elsewhere on a Lot or on a street within the Subdivision except as otherwise specifically permitted in this Paragraph. Boats and water vessels and trailers must be kept at all times completely inside a garage or parked on the Lot in a completely fenced rear yard and are not permitted to be parked on a street or roadway. Private cars or private trucks (exclusive of all other Vehicles) owned by an Owner and an Owner's guest including private cars with an Owner's personal business advertisement displayed on them may be parked in the Owner's driveway at all times. Additionally, vehicles used by an Owner for emergency, regulatory, law enforcement, and other public services may be parked in the Owner's driveway at all times. Commercial vehicles may be parked in a street or driveway when necessary for providing services to an Owner, or for pickup and delivery service, but only while undertaking this activity and never overnight. Recreational vehicles, motorhomes, travel trailers, trailers, and campers must be kept completely inside a garage or on the Lot in a completely fenced rear yard and must be well maintained. Golf carts, motorcycles and ATVs must be kept completely inside a garage when not in use. Emergency vehicles shall be allowed on any Lot or Common Area for lawfully performed emergency, regulatory, law enforcement, and other public services. No Vehicles may be repaired or maintained on or adjacent to a Lot, except within a garage. Vehicles engaged in construction of Subdivision improvements or dwellings on behalf of Declarant or Principal Builder will be permitted within the Subdivision for such purposes.
- (x) Retention Swales and Private Drainage Easements. Declarants hereby reserve unto the Association a right of entry on and across all retention swales and private drainage easements for purposes of improving and/or maintaining these areas should it desire to do so (although it is not obligated to do so) with the cost assessed to the affected Owners as an Individual Lot Assessment (per Section 9.6 herein). Within such areas, no structure, improvements, or other materials of a temporary or permanent nature shall be placed or permitted to remain by any Owner which might appear unsightly, destroy or adversely affect the natural buffer or drainage mechanism inherently provided by such areas, or obstruct or interfere with any improvements made by the Association or maintained thereon by the Association. These areas shall be maintained by the Owners of the Lots upon which they are located in a natural state, except for those improvements, if any, made by the Association. The Association shall have the authority to formulate the maintenance requirements of the areas to ensure proper drainage and functioning of the areas and shall have the right to impose such requirements upon the Owners.

- (y) Pets. Up to two "household pets" may be kept at a Lot. All other pets and animals are strictly forbidden to be kept, bred, or maintained within the Subdivision. A "household pet" is a dog, cat, or other common domestic bird. In no event may any pet, including household pets, be kept, bred, or maintained for any commercial purpose. Each Owner will be strictly responsible for the behavior of his or her household pets. An Owner may not permit the household pet to become a nuisance or annoyance to other Owners. Each Owner will be responsible to immediately collect and dispose of waste and litter from the Owner's pets. Pets will not be allowed on the Common Property except in designated areas (if any). All pets shall be on a leash when beyond the Owner's Lot and or as required by the Santa Rosa County local ordinance.
- (z) Permanent Outside Storage Building. One outside storage building of no more than 900 square feed may be constructed or placed on the Lot.
 - i. All storage buildings shall be single-story with no plumbing.
- ii. Construction shall be of brick, vinyl siding or cement-based siding and the roof constructed using fiberglass shingles. All materials used shall match the dwelling.
- iii. No metal or plastic buildings shall be permitted and no building shall be moved onto the Lot from another location.
- iv. Storage containers are permissible but must not be visible from the roadway or adjacent Lots and in compliance with the Santa Rosa County Land Development Code and the Florida Building Code.
- (aa) Flags. A homeowner may display one portable, removable United States Flag or official flag of the State of Florida, in a respectful place and manner as provided by Section 720.3075, Florida Statutes, and one other portable, removable flag as provided by Section 720.304(2)(a), Florida Statutes, in a respectful place and manner, to be no larger than four and one-half feet by six feet.
- Further Subdivision or Replat of Lots. All Lots shall be conveyed as a whole except 3.5 that two or more contiguous Lots may be re-subdivided into an equal or lesser number of contiguous Lots provided that all regulations and ordinances of Santa Rosa County, Florida applicable to the Lots are complied with. An Owner may also, by recording an instrument to that effect in the Public Records, combine two or more Lots for a single home site, whereupon the combined property will be deemed to be two or more separate Lots for all purposes, except that it shall be deemed to be a single Lot for the purposes set forth in Article III. Declarant shall have the right to modify the Plat to make adjustments to Lot boundary lines if the Owners of the affected Lots consent. Declarant may make other adjustments to the Lot boundary lines if Owners are not materially affected or if all Owners who will be materially affected consent to the modification. Owners shall not unreasonably withhold their consent to an adjustment, and consent will be deemed given if an Owner does not object in writing to a request for the Owner's consent. Notwithstanding the foregoing, Declarant also may replat a Lot or Lots to Common Property, whereupon such replatted Lot or Lots will no longer be deemed a "Lot." Declarant also may establish additional easements on a Lot or Lots Declarant or Principal Builder owns without the consent of the other Owners.

3.6 Conversion of Lots to Other Uses. Notwithstanding anything herein to the contrary, Declarant reserves the right to: (a) use any Lot owned by it for the purpose of ingress and egress to any adjoining property; (b) cause any Lot owned by it to be platted as a right of way; (c) impose additional easements on any Lot owned by Declarant; and (d) convert all or a portion of any Lot owned by it to Common Property.

ARTICLE IV GRANT AND RESERVATION OF EASEMENTS

4.1 Easements in favor of Owner.

Each Owner has the benefit of certain easements and the responsibility for others. Each Owner, his heirs, successors and assigns, is hereby granted the following perpetual easements:

- (a) Owners' Easement of Enjoyment of the Common Property. Every Owner will have a right and easement of enjoyment in and to the Common Property, subject to the restrictions imposed in this Declaration, the Plat, any conservation easements encumbering the Common Property, and Rules and Regulations. This easement will be appurtenant to and shall pass with title to every Lot. Any Owner, subject to the provisions of this Declaration, the Articles, and the Bylaws, may delegate the Owner's right to enjoyment of the Common Property to the Owner's family, tenants, and guests. The Board may suspend the right of any Owner, Owner's tenant, guest, or invitee, to use the Common Property and facilities for the failure of the Owner, Owner's tenant, occupant, licensee, guest or invitee to comply with any provision of the Declaration, Bylaws, or the Rules and Regulations.
- (b) Owner's Easement for Ingress and Egress. Each Owner, together with such Owner's family, tenants, contractors and guests, will have a non-exclusive right and easement, subject to the restrictions imposed in this Declaration, for ingress and egress to and from the Owner's Lot, over and across the roads, streets, drives, alleys and access easements as depicted on the Plat.
- (c) Owner's Easements for Utilities. Each Owner, their successors and assigns, subject to the restrictions imposed in this Declaration, for the use and benefit of each Owner, their successors, assigns, tenants, contractors and utility service providers, shall have the non-exclusive right and easement in, under, through, on, over and across the Common Property for the purpose of providing, but only to the extent necessary to provide, to the Owner's Lot, all underground utilities that may be required or desired by each Owner. Declarant shall make initial placement on the Common Property of the facilities for each particular utility. Thereafter, except as specifically provided in this Declaration to the contrary, the utility service providers may adjust, move or modify the location of such utility facilities then existing on the Common Property and any future utility facilities on the Common Property without amending this Declaration; provided, however, that (i) the utility service related to the particular utility facility to be or being adjusted, moved or modified shall continue to be adequately provided to other Owners during such period of being adjusted, moved or modified; and (ii) during any repair, maintenance, adjustment, movement or modification of any utility facilities, other Owners shall not be unreasonably inconvenienced or disrupted thereby. The Owner will not have the right to the installation of utilities where such utilities are not installed in the Common Property and available to other

similarly situated Lots.

(d) Owner's Easements for Stormwater. Every Owner, subject to the restrictions imposed in this Declaration, will have a non-exclusive right and easement to discharge stormwater under, through, on, over and across any portion of the Stormwater Management System including, without limitation, any existing detention or retention pond(s) and/or stormwater sewers on the Common Property for the purpose of removing and discharging from the Lots any and all stormwater that may accumulate or otherwise be on the Lots. Except as specifically provided in this Agreement to the contrary, the Association, with respect to the Common Property, may adjust, move or modify elements of the Stormwater Management System including the existing detention or retention pond(s) and/or storm sewers on the Common Property without amending this Declaration so long as such detention or retention pond(s) and/or storm sewers continue to adequately remove and discharge from the Lots any and all stormwater that may accumulate or otherwise be on the Lots. Nothing herein shall be construed to grant an Owner the right to enter the Common Property or make any modifications to the Stormwater Management System on the Common Property.

Each Owner, his successors and assigns, for himself and his family, tenants, contractors and guests, agrees to indemnify and hold Association and Declarant, their successors and assigns, harmless, blameless and free of any and all loss, cause, damage or claim whatsoever arising from or in any way related to the use, occupancy, control or possession of any portion of the Common Property used by Owner for the purposes set forth hereinabove, or the acts or conduct of the Owner or the Owner's family, tenants, contractors or guests, including any attorney's fees or costs incurred or related to any claim related to or arising from such use, occupancy, control, possession, acts or conduct.

The easements set forth in this Section 4.1 will be appurtenant to and shall pass with title to every Lot.

- 4.2 Easements in Favor of Declarant and Association. Declarant reserves for itself, its successors and assigns, the Association, and Governmental Authorities, the following perpetual easements:
- (a) Declarant's Easement for Ingress and Egress. A non-exclusive easement, subject to the restrictions imposed in this Declaration, for the use and benefit of Declarant, its contractors, employees, agents, guests and invitees for ingress and egress to and from the Declarant's property, over and across the Common Property including, without limitation, roads, streets, drives, alleys and access easements as depicted on the Plat.
- (a) Utilities. Easements, for ingress, egress, installation, replacement, repair, and maintenance of all public and private utilities and conveniences, upon all property subject to any public utility easements as shown on the Plat; across, over, through, and under the Common Property; and private drainage easements five feet in width along the front, rear, and side line of each Lot. This easement shall automatically be deemed abandoned as to the interior side lot lines if two or more Lots are combined into a single home site.
- (b) Stormwater. A non-exclusive right and easement to discharge stormwater under, through, on, over and across the Stormwater Management System, including, without

limitation, any existing detention or retention pond(s) and/or stormwater sewers on the Common Property and any stormwater utility easement depicted on the Plat, for the purpose of removing and discharging from any property owned by Declarant, its successors and assigns, including, without limitation, the Association, any and all stormwater that may accumulate or otherwise be on any property owned by Declarant. Except as specifically provided in this Agreement to the contrary, the Declarant and/or the Association, with respect to the Common Property, may adjust, move or modify the existing detention or retention pond(s) and/or storm sewers on the Common Property without amending this Declaration so long as such detention or retention pond(s) and/or storm sewers continue to adequately remove and discharge from the Lots any and all stormwater that may accumulate or otherwise be on the Lots.

- (c) Promotion of Magnolia Glen. So long as Declarant owns one or more Lots, Declarant, and its successors and assigns, in its sole and absolute discretion, shall have an easement upon the Common Property for the installation, maintenance and repair of signage advertising the Subdivision and Declarant's Lots, including those promoting any and all special functions and/or events for the promotion and sale of Lots within the Subdivision, and for access in, under, through, on, over and across the Common Property for the purpose of providing the installation, maintenance, repair and illumination of said signage. Declarant, its successors and assigns, and permitted members of the public shall also have a right and non-exclusive easement of access and use over all roadways located within the Subdivision and reasonably necessary to travel from and to the entrance to the Subdivision and reasonably necessary for the promotion and sale of Lots within the Subdivision, including the right to park their vehicles on the roadways located within the Subdivision at reasonable times before, during and after any promotional functions (e.g., Parade of Homes or Open House) and/or events held or sponsored by the Declarant for the promotion and/or sale of Lots within the Subdivision.
- (d) Police Powers; Security. A blanket easement throughout the Subdivision for police powers and services supplied by the local, state, and federal governments.
- (e) Non-access Easement. There shall be a one (1) foot private non-access easement in favor of the Declarant along the North and South boundary line of Magnolia Glen Drive as it runs from its intersection with Pine Blossom Road to its intersection with Micanopy Drive, to prohibit pedestrian and vehicular ingress and egress to and from the parcels of land lying directly North and South of Magnolia Glen Drive, including, but not limited to, Lot 1, Block "A" and Lot 1, Block "B" of the Subdivision. Access to Lot 1, Block "A" and Lot 1, Block "B" shall be exclusively across Micanopy Drive, as designated on the Plat. Access to the residential parcels lying directly East of Lot 1, Block "A" and Lot 1, Block "B," of the Subdivision, shall exclusively be across Pine Blossom Road, as conveyed to said parcel owners and referenced in their respective deeds recorded in the public records of Santa Rosa County, Florida. Notwithstanding the foregoing, the non-access easement shall not exist upon public roads.
- (f) Sign Easement. The Association shall have an easement over, across and through the areas marked "Sign Easement" on the Plat, for the purpose of constructing and maintaining entrance signs for the Subdivision.

The easements in favor of the Declarant will be appurtenant to and shall pass with title to property owned by the Declarant.

- 4.3 Maintenance of Easements. The Declarant and all Owners hereby acknowledge that their respective use of the Common Property, including the use of their respective contractors, employees and guests may cause normal wear, tear and damage to the Common Property. Each party shall maintain and repair that portion of the access, stormwater and utilities easements located on their respective parcel so that the same shall remain in a condition reasonably suitable to permit use thereof. Association hereby agrees to maintain the Common Property at its own expense, holding Declarant free and clear from any liability for maintenance of any portion of the Common Property except to the extent the need to perform such maintenance is due to the negligence or intentional act of the Declarant.
- Maintenance of Drainage Easement Areas. The Declarant and the Association, 4.4 their employees and contractors, are hereby granted an easement over and across any property located within the Plat and the Subdivision, including the Lots, which is necessary or convenient for the Declarant and/or the Association to perform their maintenance and repair obligations hereunder, under the permit issued by the Northwest Florida Water Management District or otherwise; provided, however, that such easement is released with respect to any portion of a Lot to the extent of an improvement on such Lot. Such right expressly includes the right to take any action reasonably necessary, following which Declarant or the Association shall restore the affected property to its original condition as nearly as practicable; provided, however, that Declarant or the Association shall not be required to replace or repair fences, walks, structures, landscaping, or other improvements which are removed or damaged. Declarant or the Association shall give reasonable notice of its intent to take such action to all affected Owners, unless, in the opinion of Declarant or the Association, an emergency exists which precludes such notice. The rights granted herein may be exercised at the sole option of Declarant or the Association and shall not be construed to obligate Declarant or the Association to take any affirmative action in connection therewith.

Additionally, the Private Drainage Easements, as depicted on the Plat, are to be maintained by the Owner of the Lot encumbered by such Private Drainage Easement. These easements shall be vegetated at the time of construction, with the vegetation and configuration of the swales to be maintained as constructed. The swales within the Private Drainage Easements shall not be filled with soil, yard debris, or any temporary shed or buildings, and any and all fences constructed across a swale area shall be constructed so as not to impede the flow of stormwater.

ARTICLE V COMMON PROPERTY

The Association will own and maintain the Common Property for the benefit of all Members and, when necessary, improve, convey, or lease the Common Property.

- 5.1 Title to Common Property.
- (a) Ownership. The Common Property will be owned by the Association for the benefit of all Owners.

- (b) Conveyance. The Association is authorized to buy or lease real or personal property to be added to the Common Property. After termination of the Class B Membership, the Association may (with the consent of Declarant) sell or lease any part of the Common Property; however, membership approval is not needed for the Board to sell personal property or to grant easements on the Common Property.
- (c) Dedication. If the county or municipal government requests that the Association convey title to or dedicate the Common Property or any portion thereof to the public, the Association will be authorized to make such conveyance or dedication, but only with the approval of the Members. Upon such dedication, all obligations of the Association regarding the property so dedicated will cease except for requirements imposed as a condition of the dedication.

5.2 Maintenance; Management; Contracts.

- (a) Association Responsibility. The Association will be responsible for the management, control, and improvement of the Common Property, which includes without limitation, the entrance gates, signage and other entrance features, the Stormwater Management System, and the right of ways shown on the Plat as Magnolia Glen Drive, Micanopy Drive, and Cedar Key Drive and must keep the same attractive, clean, and in good repair in accordance with the Declaration and applicable governmental regulations. The costs for such maintenance to be included within the General Assessment.
- (b) Management Agreements. The Association may contract with Declarant or any other party for the performance of all or any portion of the management of the Association and the Association's maintenance and repair obligations. Management cost will be included within the General Assessment.
- 5.3 Capital Improvements. The Association may make capital improvements to the Common Property and may modify the use of the Common Property.
- 5.4 Damage or Destruction of Common Property by Owner. If any Owner or any guest, tenant, licensee, agent, employee, family member, or pet of an Owner damages any of the Common Property as a result of negligence or misuse, the Owner hereby authorizes the Association to repair the damage. The cost of repair will be the responsibility of the Owner and will become an Individual Lot Assessment payable by the responsible Owner.
- 5.5 Compliance with Laws. Lots and the Common Property may be used and must be maintained in accordance with all applicable law, ordinances, and regulations including, without limitation, all regulations and requirements of the Governmental Authorities.
- 5.6 Stormwater Management System. The Association shall be responsible for the maintenance, operation, and repair of the following portions of the Stormwater Management System as depicted on the Plat: Parcel "B" Dry Private Stormwater Pond. The Owners of the Lots encumbered by the 5' wide Private Drainage Easements adjoining and along each lot line; the 10' wide Private Drainage/Access Easements as shown on the rear lot line of Lots 1 through 7, and 10-16, inclusive, Block D; the 20' wide Private Drainage/Access Easement adjoining the South lines of Lots 1 and 16, Block D, and adjoining the East line of Lot 1, Block F; the 10' wide Private Drainage/Access Easement adjoining the North line on Lot 1, Block F; the 30 wide Private

Drainage/Access Easement adjoining the South line of Lots 6 through 11, inclusive Block B, as those areas are depicted on the Plat shall be responsible for the maintenance, operation and repair of all of these portions of the Stormwater Management System. Notwithstanding the foregoing, the Association shall have the right to conduct any necessary repair and/or maintenance to the Stormwater Management System in compliance with the stormwater permit issued by the Northwest Florida Water Management District. Repair and maintenance of the Stormwater Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the Northwest Florida Water Management District. Any repair or reconstruction of the Stormwater Management System shall be as permitted, or if modified, as approved by the Governmental Authorities. The Association shall also maintain and control the water level and quality of the Stormwater Management System, the bottoms of any retention ponds, swales or easements which retain or hold stormwater on a regular basis. The Association shall have the power, as may be required by any applicable governmental entity, to control and eradicate plants, fowl, reptiles, animals, fish and fungi in and on any portion of the Stormwater Management System.

Declarant and the Association shall have the right to adopt reasonable rules and regulations from time to time in connection with the use of the surface waters of any portion of the Stormwater Management System and shall have the right to deny such use to any person who, in the opinion of the Declarant or Association, may create or participate in a disturbance or nuisance on any part of the Stormwater Management System. The use of such surface waters by the Owners shall be subject to and limited by the Rules and Regulations of the Declarant and the Association, all permits issued by governmental authorities and any rights granted to other persons pursuant to all Rules and Regulations of Declarant and the Association. Only Declarant and the Association shall have the right to pump or otherwise remove any water from any part of the Stormwater Management System for purpose of irrigation or any other use.

NEITHER DECLARANT NOR THE ASSOCIATION SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANT, OR INVITEES IN CONNECTION WITH THE RETENTION PONDS AND PRIVATE DRAINAGE EASEMENTS OR ANY PART OF THE STORMWATER MANAGEMENT SYSTEM. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS, OR INVITEES, RELEASES DECLARANT AND THE ASSOCIATION FROM LIABILITY IN CONNECTION THEREWITH. NEITHER DECLARANT NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, ARCHITECTURAL **REVIEW** EMPLOYEES. MANAGEMENT AGENTS, COMMITTEE MEMBERS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, RETENTION AREA, CANAL, CREEK, MARSH AREA, STREAM OR OTHER BODY WITHIN OR ADJACENT TO THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY APPLICABLE GOVERNMENTAL AUTHORITIES. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID AREAS SHALL BE DEEMED BY VIRTUE OF THEIR ACCEPTANCE OF A DEED TO, OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY RELATED TO ANY CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

Notwithstanding any other provisions contained elsewhere in this Declaration, the Governmental Authorities shall have the rights and powers enumerated in this section. The Governmental Authorities shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation, and repair of the Stormwater Management System. Any repair or reconstruction of the Stormwater Management System shall be as permitted, or if modified, as approved by the Governmental Authorities. No person shall alter the drainage flow of the Stormwater Management System, including any buffer areas, swales, treatment berms or swales, without the prior written approval of the Governmental Authorities. Any amendment to this Declaration which alters the Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Common Property, must have prior written approval of the Governmental Authorities. Any amendment to this Declaration which alters the Stormwater Management System, beyond maintenance in its original condition, including mitigation or preservation areas and the water management portions of the Common Property, must have prior written approval of the Governmental Authorities. In the event that the Association is dissolved, prior to such dissolution, all responsibilities relating to the Stormwater Management System must be assigned to and accepted by an entity approved by the Governmental Authorities, and all responsibilities relating to the Stormwater Management System must be assigned to and accepted by an entity approved by the Governmental Authorities.

Declarant may, but shall not be required to, assume certain duties and liabilities for the maintenance of the Stormwater Management System. The Association further agrees that subsequent to the recording of this Declaration, it shall hold Declarant harmless from all suits, actions, damages, liabilities and expenses in connection with loss of life, bodily or personal injury or property damage arising out of any occurrence in, upon, at or from the maintenance of the Stormwater Management System occasioned in whole or in part by any action, omission of the Association or its agents, contractors, employees, servants, or licensees but not excluding any liability occasioned wholly or in part by the acts of the Declarant, its successors or assigns. Upon completion of construction of the Stormwater Management System, Declarant shall assign all its rights, obligations, and duties thereunder to the Association. The Association shall assume all such rights, duties and liabilities and shall indemnify and hold Declarant harmless therefrom. The Association's obligations to assume the responsibilities of the Declarant hereunder are not subject to amendment of this Declaration.

EACH OWNER HEREBY ACKNOWLEDGES THAT THEY HAVE RECEIVED THE WARNING THAT SWIMMING IN OR IN ANY WAY ENTERING THE RETENTION PONDS WITHIN THE SUBDIVISION IS STRICTLY PROHIBITED, AND OWNER EXPRESSLY ASSUMES ALL RISK OF SUCH ACTIVITIES FOR THEMSELVES, THEIR GUESTS AND INVITEES, AND WILL HOLD ASSOCIATION, DECLARANT HARMLESS FOR LIABILITY ARISING FROM THE RETENTION PONDS WITHIN THE SUBDIVISION OR OTHERWISE USED IN CONNECTION WITH THE SUBDIVISION.

ARTICLE VI ASSOCIATION ORGANIZATION

Although Declarant will control the Association during the development stage, the Owners eventually will be responsible for the continuation of the Association.

- 6.1 Membership. Every Owner is a mandatory Member of the Association. Membership is appurtenant to and may not be separated from title to any Lot.
 - 6.2 Voting Rights. The Association will have two classes of voting membership.
- (a) Class A. Class A Members are all Owners of Lots other than Declarant, while Declarant is a Class B Member. Class A Members will be entitled to one vote for each Lot owned.
- (b) Class B. The Class B Member is Declarant, who shall be entitled to ten (10) votes in all matters for each Lot owned by the Class B Member or its affiliates. Declarant may assign its Class B Membership. The Class B Membership will end and be converted to Class A Membership three (3) months after Turnover.
- (c) Members other than Declarant may elect at least one Member to the Board, if fifty percent (50%) of the Lots in all phases of the Subdivision which will ultimately be operated by the Association have been conveyed to the Members.
- 6.3 Exercise of Vote. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the number of votes for that Lot will not be increased, and the Members must determine among themselves how the Lot's vote may be exercised. Corporations, partnerships, and other entities must notify the Association of the natural person who will be considered a Member of the Association and be entitled to exercise its vote.

6.4 Board of Directors.

- (a) Composition. The Board initially will consist of at least three persons appointed by Declarant. Upon termination of the Class B Membership, the Board will consist of at least three directors, selected in accordance with the Articles and Bylaws, but in any event, the number of directors must always be three or five. The directors need not be members of the Association.
- (b) Classes. Each director will be appointed or elected to one of three classes: Class 1, Class 2 or Class 3. Directors will be elected by class to provide for staggered terms. If the number of directors is increased, it shall be to five, and each new position must be assigned to a class so that each class will have an equal number of directors.
- (c) Term of Office. The initial term for the Class 1 director will be for one (1) year. The initial term for the Class 2 director will be for two (2) years. The initial term for the Class 3 director will be for three (3) years. Subsequent terms for directors of any class will be for three (3) years; however, directors will always serve until resignation, removal, or the election of their successors.

- (d) Qualifications. If a director ceases to be a Member during the term of office, such person will be automatically removed from the Board, effective upon such occurrence.
- (e) Voting Procedure. At each annual meeting, the Members will elect the directors to replace the directors of the class whose term of office is then expiring. Each Class A Member will have one vote for each seat to be filled and the Class B Member will have ten (10) votes for each Lot owned by the Class B Member or its affiliates, for each seat to be filled. No cumulative voting will be permitted. The candidate(s) receiving the highest number of votes will be declared elected. If there is a tie vote, the Class B Member will be given one additional vote and the opportunity to cast such vote to break the tie. The meeting will, in other respects, be conducted in accordance with the Articles and Bylaws.
- (f) Removal. Any director may be removed from office, with or without cause, by at least a majority vote of the Members. Removal procedure must be in compliance with Fla. Stat. §720.303(10).
- (g) Vacancies; Replacement of Directors. Any vacancy occurring in positions as director may be filled by a majority vote of the remaining Board members. If the remaining Board members do not constitute a quorum, a special meeting of the Association may be called by any officer, by any Member, or by the Declarant to elect new members to the Board.
- (h) Compensation. Directors will not receive compensation for their services unless approved by a majority of the voting interest. This will not prevent a Class B Member or an affiliate of a Class B Member from being compensated for management or other services.
- 6.5 Relationship to Articles and Bylaws. The Articles and Bylaws will govern all matters of the Association not set forth in this Declaration. The terms of this Declaration will prevail over any conflicting provisions in the Articles and Bylaws.

ARTICLE VII OPERATION OF ASSOCIATION AND BOARD

In addition to this Declaration, the Association must operate in accordance with Chapters 617 (Corporation Not for Profit) and 720 (Homeowners Associations) of the Florida Statutes, as amended from time to time. Most day-to-day decisions about the maintenance of the Common Property and enforcement of the Declaration are the responsibility of the Board, acting on the Members' behalf. For those decisions requiring Members' approval, the Annual Meeting provides a public opportunity for discussion.

7.1 Annual Meeting.

- (a) When called. The Annual Meeting will be called every year for the election to the Board of the class of directors whose term then expires and for other business requiring approval of the Members. The meeting date shall be as determined by the Articles and Bylaws.
- (b) Quorum. Voting at an annual meeting requires the presence of: (i) Members (in person or by proxy) representing thirty percent (30%) of votes; and (ii) Declarant or its representative so long as Declarant owns at least one (1) Lot.

(c) Notice. Notice of the annual meeting may be given by: (i) mailing a notice to each Member at the last address furnished to the Association; (ii) delivering notices to the Member's dwelling or Lots; or (iii) posting conspicuous notices for the meeting in the Common Property. Notice should be given at least thirty (30) days before the annual meeting.

7.2 Board Meetings.

- (a) Board's Responsibility. Except as specifically provided in this Article or elsewhere in this Declaration, the Board has been delegated the power, and has the authority to act on behalf of the Association in all matters.
- (b) Quorum. Voting at a Board meeting requires the presence of at least two (2) of the directors (in person or by proxy). Except as prohibited by law, action required to be taken by vote of the Board may be taken in the absence of a meeting by obtaining the written approval of a majority of the Board.
- (c) Notices. Notices of all meetings of the Board shall be posted in a conspicuous place in the Common Property or otherwise at an entrance to the Subdivision, forty-eight (48) hours in advance, absent emergency. If the Board desires to levy an assessment at a meeting, the notice must include a statement describing the assessment being considered. All meetings must be open to the Members, except for meetings permitted by law to be closed. This provision shall also apply to the meetings of any committee or other similar body when a final decision will be made regarding the expenditure of Association funds and to meetings of anybody vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a Member.
- 7.3 Record Keeping. The Board shall keep, or cause to be kept, a record of all meetings, both of the Board and of the Association. For each action taken, the record must state the vote and a description of the action approved, and, if applicable, the reasons why the action was considered necessary and a summary of the information on which the decision was based. The record must be available for inspection by any Member, except for records of closed meetings of the Board. Officers may be elected by the Board by secret ballot. The Association shall maintain such items as are designated official records in accordance with Chapter 720, Florida Statutes, for the time periods designated, with inspection and copying rights for members as prescribed therein.

ARTICLE VIII ASSOCIATION BUDGET

To fulfill its obligation to administer and manage the Association and maintain the Common Property, the Board is responsible for the fiscal management of the Association.

- 8.1 Fiscal Year. The fiscal year of the Association will begin January 1 of each year and end on December 31 of that year. The Board may elect another fiscal year. The Board must prepare an annual Budget.
- 8.2 Budget. A copy of the budget must be provided to each Member or a notice must be given to the Members that a copy of the budget is available upon request and without charge.

The annual budget will estimate total expenses to be incurred by the Association in carrying out responsibilities. The budget must include:

- (a) The cost of wages, materials, insurance premiums, services, supplies, and other expenses for the rendering of all services required or permitted under this Declaration;
- (b) Reasonable amounts, as determined by the Board, for working capital for the Association and for reserves;
- (c) Fees for professional management of the Association (which may include Declarant), legal counsel, and accounting;
 - (d) Taxes, if the Common Property is taxed separately from the Lots;
 - (e) An itemized list of all fees or charges for recreational amenities; and
 - (f) An estimate of revenues from the General Assessment.
- 8.3 Reserves. The Association shall accumulate and maintain adequate reserves for working capital, contingencies, and replacements, to be included in the annual budget and collected as part of the annual General Assessment. This shall not occur until the termination of Declarant's guarantee described in Section 9.2 of this Declaration. Extraordinary expenses not originally included in the annual budget will 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. If there is an excess of reserves at the end of a fiscal year, such excess may be used to reduce the following year's Assessments.
 - 8.4 Preparation and Approval of Annual Budget.
- 8.4.1 Initial Budget. Declarant will prepare the first annual budget. Any reserves established by the Declarant must designate the components for which the reserve accounts may be used.
- 8.4.2 Subsequent Years. Budgets other than the initial budget will be prepared at the direction of the Board at least one (1) month before the end of the fiscal year. The budget and the annual General Assessment must be adopted by the Board.
- 8.5 Effect of Failure to Prepare or Adopt Budget. The Board's failure or delay in preparing or adopting the annual budget for any fiscal year will 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.
- 8.6 Financial Reporting. The Board shall prepare an annual financial report for the Association within ninety (90) days of the close of the fiscal year and provide each Member with a copy of the report, or a written notice that a copy of the financial report is available upon request, without charge to the Member. The report must be in the form required by the Florida Statutes.

- 8.7 Capital Improvements. The Board shall determine whether capital improvements should be paid from General Assessments or by Special Assessment. If the cost of all capital improvements to be paid within a single year totals more than twenty-five percent (25%) of the Association's annual budget, the capital improvements must be approved by majority vote of the Members. Any repair or replacement of existing improvements will not be considered a capital improvement.
- 8.8 Reserves shall be kept separate from other Association funds. All other sums collected by the Board with respect to Assessments and charges of all types may be commingled in a single fund.
- 8.9 Amendment of Budget. The Board may amend the budget during any fiscal year and increase the amount of the annual General Assessment for such year if it appears that there will be insufficient income to meet the obligations of the Association.

ARTICLE IX COVENANTS TO PAY ASSESSMENTS

The cost of fulfilling the Association's financial obligations is divided among the Members by means of Assessments in accordance with this Declaration. To ensure that the Association has a reliable source of funds and to protect those Members who contribute their share, Assessments are mandatory and are secured both by a lien on the Lots and the Member's personal obligation.

- 9.1 Obligations for Assessments. Declarant covenants for each Lot upon which a completed home has been constructed, and, by acceptance of a deed or other transfer instrument, whether or not expressed in such deed or instrument, each Owner of any Lot is deemed to covenant and agree to pay to the Association the Assessments including:
 - (a) General Assessments;
 - (b) Special Assessments; and
 - (c) Individual Lot Assessments.
- 9.2 Guarantee of Class B Member. The Class B Member agrees that, until the end of the first fiscal year of the Association or such extended period as set forth hereinbelow, it will guarantee that the General Assessments shall not exceed \$350.00 per Lot per year during the first fiscal year of the Association and an increase of not more than five percent (5%) on each anniversary thereof. The Class B Member will be exempt from General Assessments in consideration of its guarantee. The Class B Member may elect to renew the Budget Guarantee for one or more additional fiscal years, during which the Class B Member will not be liable for any Assessments on any Lots it owns. Such election shall be deemed to occur on an annual basis unless, prior to the end of the fiscal year of the Association, the Class B Member gives notice of its intention to not elect to renew its guarantee. A Lot exempt from Assessments pursuant to this Section is referred to as an "Exempt Lot."
- 9.3 Equitable Division of Assessments. The General Assessment and Special Assessments shall be assessed among all Lots equally, except that Exempt Lots will not be subject

to assessment. The General Assessment will be assessed on Lots at the rate established by the Board.

9.4 General Assessment.

- (a) Establishment by Board. The Board will set the date or dates the General Assessment will be due, and it may provide for payment in monthly, quarterly, semiannual, or annual installments.
- (b) All of Declarant's Lots shall be exempt forever to the extent allowed by Florida law.
- (c) Late Fee and Interest. The Board may impose a reasonable late fee. Additionally, interest will accrue at the highest lawful rate on delinquent payments
- 9.5 Special Assessment. In addition to the General Assessment, the Board may levy, in any fiscal year, a Special Assessment applicable as follows:
- (a) Capital Improvements. Any capital improvement that has been approved in accordance with this Declaration.
- (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 that 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).
- (c) Exemption. Exempt Lots will not be subject to Special Assessments, nor will an Exempt Lot be subject to payment of any Special Assessment or any portion thereof declared or assessed while such Lot was an Exempt Lot even if payments for such Special Assessments are made in installments becoming due subsequent to the time such Lot no longer is considered an Exempt Lot. [For example, if a Special Assessment is declared on January 1 while Lot 7 is an Exempt Lot, but the payment of the Special Assessment is not required until March of the same year, then even if Lot 7 is not an Exempt Lot as of February of such year, Lot 7 still will be considered exempt from such Special Assessment.]
- 9.6 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. An Individual Lot Assessment may be levied on account of any legal expenses (at trial or on appeal) and costs incurred by the Association in enforcing this Declaration or in enforcing any other declaration the Association is authorized to enforce.
 - 9.7 Effect of Nonpayment of Assessment; Remedies.
- (a) Personal Obligation. All Assessments, together with any late fees, interest, and costs of collection when delinquent, including reasonable attorneys' fees (pre-suit or post-suit) whether or not a lawsuit 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 the Assessment Charge 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 also shall be a continuing lien on the Lot against which the Assessment Charge is made, which lien is effective upon recording a claim of lien but relating back to and having a priority as of the date of this Declaration. This lien in favor of the Association will secure the Assessment Charge that is then due and that may accrue subsequent to the recording of the claim of lien and before entry of final judgment of foreclosure. The lien in favor of the Assessment Charge is subject to the subordination provisions of Section 9.7(d).
- (c) Lawsuit 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, as provided in Section 720.3085, Florida Statutes. 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 to acquire, hold, lease, mortgage, and convey the Lot.
- (d) Subordination of the Lien to Mortgages. The lien of the Assessment Charge will 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 that became due before 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. Subject to applicable law and as set forth in Article XI, the Association may assess fines and suspend the use of Common Property and facilities, and voting rights of any Member, Owner, or any Member or Owner's occupant, tenant, guest, licensee, or invitee for any period for failure to comply with any provision of the governing documents, or during which any Assessments against the Owner's Lot remain unpaid.
- 9.8 Certificate of Payment. The treasurer of the Association or the manager of the Association, upon request of any Owner, shall furnish a certificate signed by a member of the Board or by the manager, if authorized by the Board, stating whether any Assessments are owed by that Owner. The Board may establish a reasonable fee for such certificate. Such certificate will be conclusive evidence of payment of Assessments through the date of the certificate.

ARTICLE X INSURANCE AND INDEMNITY

Insurance is essential to protect the interests of the various Owners and to ensure that funds will be available for rebuilding after a casualty; however, because insurance costs may increase significantly or new types of coverage may be available, this Article gives some flexibility to the Board to select insurance coverage that is reasonable for the conditions that exist at that time.

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

- 10.2 Casualty Insurance. The Board shall be required to obtain and maintain fire insurance as appropriate. Endorsements for extended coverage, vandalism, malicious mischief, and windstorm should be obtained if available at reasonable cost. Coverage shall be in an amount not less than necessary to comply with the co-insurance percentage stipulated in the policy, but in any event not less than eighty percent (80%) of the insurable value (based upon replacement) of the improvements constructed on the Common Property.
- 10.3 Public Liability. The Board shall obtain public liability insurance, in such limits as the Board may from time to time determine, insuring against any liability arising out of, or incident to, the ownership and use of the Common Property. Whenever practicable, such insurance should be issued on a comprehensive liability basis and should contain a "severability of interest" endorsement that shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association, the Board, or other Owners. Such insurance must always name Declarant as an additional insured until fifty (50) years after the date of this Declaration.
- 10.4 Association Management. Unless waived annually by a majority of the voting interests present at a properly called Association meeting, the Association is required to maintain insurance or a fidelity bond for all persons who control or disburse funds of the Association in an amount to cover the maximum funds that will be in the custody of the Association or its management at any one time. The term "persons who control or disburse funds of the Association" shall include, but not be limited to, all individuals authorized to sign checks on behalf of the Association, the Association's President, Secretary, Treasurer and the Association's Manager. The cost of such insurance shall be included as a common expense of the Association.
- 10.5 Director's Liability Insurance. The Board may obtain liability insurance insuring 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 in its discretion.
- 10.6 Other Insurance. 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 deem prudent.
- 10.7 Repair and Reconstruction after Fire or Other Casualty. If fire or other casualty damages or destroys any of the Common Property, the Board shall arrange for and supervise the prompt repair and restoration of the improvements. The Board shall obtain funds for such reconstruction first from the insurance proceeds, then from reserves for the repair and replacement of such improvements, and then from any Special Assessments that may be necessary after exhausting insurance and reserves.
- 10.8 Indemnity of Declarant. In consideration of Declarant conveying the Common Property to the Association, the Association and each Owner releases, indemnifies, and holds Declarant, its officers, employees and agents harmless from any and all liability arising out of the Common Property and shall defend Declarant against all claims of any third party. Such indemnity includes any attorneys' fees and costs incurred by Declarant at trial and on appeal.

10.9 Attorney Fees. In the event of any litigation arising out of this Declaration, the prevailing party shall be entitled to recover all costs incurred including, but not limited to, reasonable attorney's fees at all trial and appellate levels and post-judgment proceedings.

ARTICLE XI ENFORCEMENT

This Article provides for the enforcement of the covenants, conditions and restrictions contained in the Declaration and the procedure for enforcement and imposition of fines, suspensions and other remedies.

- 11.1 Release from Minor Violations. Declarant and the Architectural Review Committee or either of them shall have the right, by written instrument, at any time to release a Lot from minor violations of this Declaration or the Plat including, without limitation: (a) encroachments into easements; (b) encroachments over building restriction lines; and (c) construction of less than the required minimum square footage for the dwelling provided that the square footage is at least ninety-five percent (95%) of the required minimum. Notwithstanding the foregoing, only Santa Rosa County can release a Lot from violations of an ordinance or an encroachment of an easement in favor of Santa Rosa County.
- Enforcement. In addition to the enforcement provisions set forth in Section 3.2(g), 11.2 the covenants and restrictions contained in this Declaration may be enforced by Declarant, the Association, any Owner, and any Mortgagee in any judicial proceeding seeking any remedy recognizable at law or in equity, including an action or lawsuit seeking damages, injunction, specific performance, or any other form of relief, against any person, firm or entity violating or attempting to violate any covenant or restriction contained herein. The failure by any party to enforce any covenant or restriction contained herein shall in no event be deemed a waiver of such covenant or restriction or of the right of such party to thereafter enforce such covenant or restriction. The prevailing party in any such litigation shall be entitled to reasonable attorneys' fees and court costs at all trial and appellate levels. The Governmental Authorities will have the right to enforce, by proceedings at law or in equity, the provisions contained in the Declaration that relate to the maintenance, operation, and repair of the Stormwater Management System. ALL PARTIES AGREE THAT ANY DISPUTE SHALL BE DETERMINED BY A JUDGE AND NOT A JURY AND WAIVE THEIR RIGHT TO A JURY TRIAL IN ANY LITIGATION ARISING OUT OF THIS DECLARATION OR AMENDMENTS.
- 11.3 Member Fines and Suspensions. In compliance with Section 720.305(2), Florida Statutes, the Board may levy reasonable fines or suspensions.
- (a) Fines. Up to \$100.00 per violation against any Member, Owner, or any Member's or Owner's occupant, tenant, guest, licensee, or invitee for the failure to comply with any provision of the Declaration, Bylaws, or Rules and Regulations. A fine may be levied for each day of a continuing violation, with a single notice and opportunity for hearing, except that the fine may not exceed \$5,000.00 in the aggregate. A fine of less than \$1,000.00 may not become a lien against a Lot, however, an aggregate fine of \$1,000.00 or more may be converted into a lien against the Lot by recordation. Any such lien is effective upon recording, but relates back to and has priority as of the date of the recording of this Declaration and is subject to the subordination

provisions of Section 9.7(d). In any action to recover a fine or foreclose a lien, the prevailing party is entitled to reasonable attorneys' fees and costs from the non-prevailing party as determined by the court.

- (b) Suspensions. In addition, the Board may suspend the right of any Member, Owner, or any Member's or Owner's occupant, tenant, guest, licensee, or invitee, to use the Common Property and facilities for the failure to comply with any provision of the Declaration, Bylaws, or Rules and Regulations. Any suspension does not apply to: any portion of Common Property used to provide access or utility services to the Lot; or vehicular and pedestrian ingress to and egress from the parcel including, but limited to, the right to park.
 - (c) Fines and Suspensions Committee.
- i. The Board shall appoint a Fines and Suspensions Committee (the "Committee") of no less than three Members.
- ii. A fine or suspension may not be imposed by the Board without a minimum of fourteen (14) days notice to the Owner(s) and Member(s) and if applicable, occupant, tenant, guest, licensee or invitee and an opportunity to be heard before the Committee. To ensure all Members or other persons against whom a fine or suspension is levied by the Board are equally afforded an opportunity to be heard, the Committee will hear all fines and suspensions of the right to use Common Property and facilities levied by the Board.
- iii. The Committee's role shall be limited to confirmation or rejection of a fine or suspension levied by the Board. A fine or suspension must be confirmed by a majority vote of the Committee prior to imposition by the Board. If a fine or suspension is not approved by majority vote of the Committee, the fine or suspension shall not be imposed.
- 11.4 Board Procedure for Imposition of Fines, Suspensions of the Use of Common Property and Facilities and the Suspension of Voting Rights.
- (a) If confirmed by the Committee, the Board's proposed fine or suspension of the right to use Common Property and facilities is imposed without further Board action. If imposed, the Association must provide written notice of the fine or suspension by U.S. Mail or hand delivery to the Member, Owner and, if applicable, occupant, tenant, guest, licensee or invitee. Payment for any fine imposed is due on or before five (5) days from the date of the Committee meeting at which the fine was approved. Any suspension is effective on the date of the written notice.
- or other monetary obligation due to the Association, the Board may suspend the rights of the Member, Owner, or any Member or Owner's occupant, tenant, guest, licensee, or invitee to use Common Property and facilities until the fee, fine or other monetary obligation is paid in full. This suspension does not apply to that portion of Common Property used to provide access or utility services to the Lot. A suspension may not prohibit a Member, Owner, occupant, tenant, guest or invitee from having vehicular and pedestrian ingress and egress from the Lot including, but not limited to, the right to park. The notice and hearing requirements in Section 11.3, above, do not apply to a suspension under this provision. The suspension must be approved at a properly noticed

meeting of the Board. Upon approval, the Board must notify the Member, Owner, and any Member's or Owner's occupant, tenant, guest, licensee, or invitee by U.S. Mail or hand delivery.

- The Board may also suspend the voting rights of a Lot, Member or Owner (c) for the nonpayment of any fee, fine, or other monetary obligation due to the Association that is more than ninety (90) days delinquent. A voting interest or consent right allocated to a Lot, Member or Owner which has been suspended by the Association shall be subtracted from the total number of voting interests in the Association, which shall be reduced by the number of suspended voting interests when calculating the total percentage or number of all voting interests available to take or approve any action, and the suspended voting interests shall not be considered for any purpose including, but not limited to, the percentage or number of voting interests necessary to constitute a quorum, the percentage or number of voting interests required to conduct an election, or the percentage or number of voting interests required to approve an action by this Declaration. The notice and hearing requirements in Section 11.3, above, do not apply to a suspension under this provision. The suspension imposed under this provision shall terminate upon full payment of the delinquent monetary obligation due or overdue to the Association. The suspension must be approved at a properly noticed meeting of the Board. Upon approval, the Board must notify the Member or Owner by U.S. Mail or hand delivery.
- or any improvements located thereon in compliance with the covenants and restrictions contained in this Declaration and all other governing documents, the Association shall have the right and may, through its agents, employees, and contractors, enter into or upon said Lot and repair, maintain, and restore the Lot and/or the exterior portions of any building or improvement located on the Lot. The cost of such repair, maintenance, or restoration, together with a reasonable administrative charge shall be charged against the Lot as an individual Lot Assessment. Before the Association may enter into or upon said Lot, a written notice shall be mailed to the owner at the address for the Owner on record with the Association informing the Owner of the Lot violation(s). If the Owner fails to correct the Lot violation(s) within thirty (30) days from the receipt of the notice, the Association may immediately enter onto or upon said Lot in order to repair, maintain, or restore the Lot. The thirty (30) day notice requirement contained in this Section 11.5 is waived in the event of an emergency.
- Association determines that a tenant is in violation of the Declaration or the Rules, the Association shall notify the Owner and the tenant of the violation and afford the tenant and the Owner an opportunity for a hearing. If the violation continues for fifteen (15) days, the Association shall have the right to evict the tenant. Each Owner by acceptance of a deed for a Lot hereby irrevocably appoints the Association as its attorney in fact and agent in such an eviction action. All costs related to such action shall be the responsibility of the Owner and shall constitute an Individual Lot Assessment.

ARTICLE XII GENERAL PROVISIONS

This article sets forth rules of interpreting the Declaration and amending the Declaration.

- 12.1 Incorporation of the Land Use Documents. Any and all deeds conveying a Lot shall be conclusively presumed to have incorporated therein all of the terms and conditions of this Declaration.
- 12.2 Assignment. Declarant shall have the right, from time to time, to assign any of its rights or obligations pursuant hereto in part or in whole.
- 12.3 Notices. Notices shall be given as to Owners by posting at the Owner's dwelling or vacant Lot, or mailing first class postage prepaid to the Owner's address maintained by the Association, or by posting a notice applicable to all Owners at the Common Property, and as to Declarant, by sending certified mail to the corporate address of Declarant filed with the Florida Secretary of State.

12.4 Amendment.

- (a) Subject to the provisions of Section 12.5, Declarant specifically reserves the absolute and unconditional right, as long as Declarant owns any of the Lots, to amend this Declaration without the consent or joinder of any party to: (i) conform to the requirements of Santa Rosa County, Florida, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veterans Administration, Department of Housing and Urban Development, or any other generally recognized institution involved in the purchase and sale of home loan mortgages; (ii) conform to the requirements of mortgage lenders or title insurance companies; or (iii) perfect, clarify, or make internally consistent the provisions herein.
- (b) Subject to the provisions of Section 12.5 and applicable law, Declarant reserves the right to amend this Declaration in any other manner without the joinder of any party, as long as said amendment is made in good faith and is not arbitrary or capricious, does not destroy the general plan of the development, does not prejudice the rights of the Members to enjoy the benefits of Common Property, does not materially shift the economic burdens from the Declarant to the Members and no Owner's right to the use and enjoyment of the Owner's Lot is materially altered.
- (c) Subject to the provisions of Section 12.5 and applicable law, this Declaration may be amended by consent of Owners of fifty percent (50%) or more of the Lots as evidenced by recording an instrument executed by said Owners in the Public Records, provided that no such amendment will be effective without the consent of Declarant, or its assigns, until Declarant and its affiliates own no Lots within the Subdivision. Within thirty (30) days of the recording of an amendment in the Public Records, the Association shall provide copies of the Amendment to all of the Members.
- (d) Declarant, without the consent of any party, may bring within the scheme of this Declaration additional land by Supplemental Declaration in accordance with the procedures set forth in Section 2.2.
- (e) Any amendment to the Declaration that would alter the Stormwater Management System, beyond maintenance in its original condition, including mitigation or preservation areas and the water management portions of the common areas, must have the prior approval of the Governmental Authorities or other applicable governing authority.

- Mortgagee's Consent to Amendments. This Declaration contains provisions 12.5 concerning various rights, priorities, remedies, and interests of the 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 mortgages on the Lots. Accordingly, no amendment or modification of this Declaration impairing such rights, priorities, remedies, or interests of a Mortgagee shall be adopted without the prior written consent of Mortgagees holding liens on thirty percent (30%) or more of the Lots encumbered by mortgages to Mortgagees. Each Mortgagee agrees that it will either consent to a proposed amendment or give notice of refusal to consent by written notice to the party requesting such consent within thirty (30) days after the request is received. If a Mortgagee does not respond within sixty (60) days after the date of mailing of the written notice, the Mortgagee's consent will be deemed given, and an affidavit to such effect recorded in the Public Records by the party requesting the consent will be sufficient evidence to make the requested amendment; provided, that a photocopy of the documentation proving receipt of the request to the Mortgagee is attached to the affidavit. This Section shall not apply or be construed as a limitation on those rights of Declarant, the Association, or the Owners to make amendments that do not adversely affect the Mortgagees.
- 12.6 Captions and Statement of Purpose. Captions inserted throughout this Declaration are intended only as a matter of convenience and for reference only, and in no way shall such captions or headings define, limit, or in any way affect any of the terms or provisions of this Declaration. The Statement of Purpose is a summary of general information only and in no way shall such statement define, limit, or in any way affect any of the terms or provisions of this Declaration.
- 12.7 Gender and Plural Terms. Whenever the context so requires, any pronoun used herein may be deemed to mean the corresponding masculine, feminine, or neuter form thereof, and the singular form of any noun or pronoun herein may be deemed the corresponding plural form thereof and vice versa.
- shall be deemed invalid by a court of competent jurisdiction, that judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Without limitation of the foregoing, the invalidation of any of the covenants, restrictions, terms, or conditions of this Declaration, or a reduction in the term of the same by reason of the legal rule against perpetuities, shall in no way affect any other provision, which shall remain in full force and effect for such period of time as may be permitted by law. Any amendment to applicable law that has the effect of reducing the rights of Declarant or increasing the liabilities of or duties imposed on Declarant will not be incorporated into this Declaration by reference. All other references to applicable laws and regulations will incorporate amendments to those laws and regulations.
- 12.9 Duration and Renewal. This Declaration (but excluding the easements herein created, which are perpetual) and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens, and liens contained herein including, without limitation, the provisions for assessment of Lots, shall run with and bind all of the Lots and inure to the benefit of Declarant, the Owners, and their respective legal representatives, heirs, successors, and assigns, for a term of ninety (90) years from the date hereof, after which time this Declaration shall be

automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year before the termination of the 90-year period or before each such 10-year extension, as the case may be, there is recorded in the Public Records an instrument agreeing to terminate this Declaration, which instrument is signed by a majority of all Owners and all Mortgagees, upon which event this Declaration shall be terminated upon the expiration of the 90-year term or the 10-year extension during which such instrument was recorded, as the case may be.

- 12.10 Venue. This Declaration shall be governed by and enforced and construed under the laws of the State of Florida, without regard to its conflicts of laws provisions. Venue in any proceeding involving this Declaration will be in Santa Rosa County, Florida.
- 12.11 DISCLAIMER OF REPRESENTATIONS OR WARRANTIES. AS EXPRESSLY PROVIDED IN THIS DECLARATION, NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, HAS BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH THE PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, MAINTENANCE, COST OF MAINTENANCE, TAXES OPERATION, REGULATION THEREOF. IF ANY SUCH WARRANTY CANNOT BE DISCLAIMED, AND AS TO ANY CLAIMS WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED. THIS SECTION 12.11 SHALL NOT BE AMENDED.
- 12.12 NOTICE IS HEREBY GIVEN THAT THE ROADS WITHIN MAGNOLIA GLEN ARE PRIVATE ROADS AND THE MAINTENANCE OF SUCH IS THE RESPONSIBILITY OF THE ASSOCIATION.

(end of text - signature pages to follow)

Witnesses:

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed the day and year first above written.

Dod G. Jeagur

TIMBERLAND CONTRACTORS, LLC, a Florida limited liability company

Ow Ce Eel

By: Christopher K. Walters

Its: Manager

STATE OF FLORIDA COUNTY OF SANTA ROSA

THE FOREGOING INSTRUMENT was acknowledged before me by means of \square physical presence or \square online notarization on this 2 day of 2 day of



Dravid P. Teague Commission # GG317379 Expires: July 5, 2023 Bonded Thru Aaron Hotery

> NAME LEGIBLY PRINTED, TYPEWRITTEN OR STAMPED

(SEAL)

My Commission Expires:

EXHIBIT "A"

DESCRIPTION: (AS PREPARED BY REBOL-BATTLE & ASSOCIATES)

COMMENCE AT THE NORTHWEST CORNER OF NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 2 NORTH, RANGE 28 WEST, SANTA ROSA COUNTY, FLORIDA; THENCE PROCEED SOUTH 84°50'03" EAST ALONG THE MONUMENTED NORTH LINE OF SAID SECTION 19, ALSO BEING THE MONUMENTED SOUTH LINE OF COUNTRY SQUIRE ESTATES AS RECORDED IN PLAT BOOK "C" AT PAGE 4 OF THE PUBLIC RECORDS OF SANTA ROSA COUNTY, FLORIDA FOR A DISTANCE OF 1307.95 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 84°50'03" EAST ALONG SAID NORTH LINE AND SAID SOUTH LINE FOR A DISTANCE OF 887.69 FEET; THENCE DEPARTING SAID NORTH LINE AND SAID SOUTH LINE, PROCEED SOUTH 02°49'15" WEST FOR A DISTANCE OF 624.61 FEET; THENCE PROCEED SOUTH 87°10'45" EAST FOR A DISTANCE OF 345.00 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE NORTHWESTERLY, SAID CURVE HAVING A RADIUS OF 25.00 FEET; THENCE PROCEED NORTHEASTERLY ALONG THE ARC OF SAID CURVE FOR A DISTANCE OF 39.27 FEET (DELTA ANGLE = 90°00'00", CHORD DISTANCE = 35.36 FEET; CHORD BEARING = NORTH 47°49'15" WEST ALONG SAID WEST RW LINE FOR A DISTANCE OF 115.00 FEET TO A NON-TANGENT POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE SOUTHWESTERLY, SAID CURVE HAVING A RADIUS OF 25.00 FEET; THENCE DEPARTING SAID WEST RW LINE FOR A DISTANCE OF 39.27 FEET (DELTA ANGLE = 90°00'00", CHORD DISTANCE OF 39.27 FEET (DELTA ANGLE = 90°00'00", CHORD DISTANCE OF 39.36 FEET; CHORD BEARING = NORTH 42°10'45" WEST NOR ADDITIONAL THE PROCEED NORTH STANCE OF SAID CURVE HAVING A RADIUS OF 25.00 FEET; THENCE DEPARTING SAID WEST RW LINE PROCEED NORTH WESTERLY ALONG THE ARC OF SAID CURVE FOR A DISTANCE OF 39.27 FEET (DELTA ANGLE = 90°00'00", CHORD DISTANCE = 35.36 FEET; CHORD BEARING = NORTH 42°10'45" WEST) TO A POINT OF TANGENCY; THENCE PROCEED NORTH 87°10'45" W FOR A DISTANCE OF 345.00 FEET; THENCE PROCEED SOUTH 86°13'00", CHORD DISTANCE OF 118.05 FEET; THENCE PROCEED NORTH SORTH LINE PROCEED NORTH LINE FOR A DISTANCE OF 180.37 FEET; THENCE PROCEED NORTH 110 FROCEED NORTH LINE FOR A DISTANCE OF 180.58 FEET; THENCE DEPARTING SAID NORTH LINE PROCEED NORTH 103°47