

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE VERANDAS AT FREEPORT
PHASE IA

Prepared by:

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
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PHASE IA**

THIS DECLARATION is made on June ____, 2008 by Bayport, LLC, a Georgia limited liability company, whose address is 105 Peachtree Hills Circle, Atlanta, Ga. 30305, hereinafter called "Declarant".

RECITALS

WITNESSETH:

WHEREAS, Declarant is the Owner of fee simple title to that certain real property located in Walton County, Florida, which is more particularly described on Exhibit "A" attached hereto, made a part hereof and which includes Lots 1 through 69 and Common Areas of The Verandas at Freeport, Phase IA, according to the plat thereof as recorded in Plat Book 18, Pages 33 through 33E of the Public Records of Walton County, Florida (the "Plat");

WHEREAS, Declarant intends to develop The Verandas at Freeport, Phase IA (the "Subdivision"), according to the Plat as a residential area to be known as The Verandas at Freeport, Phase IA and which shall be occupied and maintained as a residential development for the mutual and common advantage of all occupants and owners thereof who shall occupy and own the Property subject to the provisions of this Declaration and all other rules and regulations applicable to the Property, and to be governed by a mandatory owner's association; and

WHEREAS, Declarant desires to provide for the preservation and enhancement of the Property and for the maintenance of the Property and the improvements thereon, and in order to accomplish such objectives, Declarant desires to subject the Property to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner of a portion thereof; and

WHEREAS, Declarant deems it desirable to create a non-profit corporation, The Verandas at Freeport Owners Association, Inc, (the "Association") to be charged with the rights and responsibilities of enforcing the covenants, conditions, and restrictions hereinafter set forth, of maintaining and administering the Common Areas, as hereinafter defined, and of collecting and disbursing the assessments and charges created by this Declaration; and

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

1. DEFINITIONS

1.1. "Articles" shall mean the Articles of Incorporation of The Verandas at Freeport

Owners Association, Inc., as amended from time to time.

1.2. "Assessments" shall mean any sum of money payable to the Association which if unpaid can result in a lien against an Owner's Lot, including, without limitation, the classes of Annual, Specific and Special Assessments provided for in Article 6 of this Declaration.

1.3. "Association" shall mean and refer to The Verandas at Freeport Owners Association, Inc., a Florida non-profit corporation, its successors and assigns.

1.4. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.

1.5. "Budget" refers to the annual budget for the Association as prepared and adopted by the Board and showing all income and expenditures as anticipated for a forthcoming fiscal year of the Association.

1.6. "Bylaws" shall mean the Bylaws of the Association, as amended from time to time.

1.7. "Common Areas" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners. The Common Areas owned by the Association at the time of the recording of the conveyance of the first Lot by the Declarant are the lands shown on the Plat which are designated as Common Areas, conservation areas, retention ponds, drainage, common utilities and other common facilities located or to be located within the common areas, as shown on the Plat, or otherwise reserved herein. Common Areas shall also mean such additional facilities or improvements, which shall be determined by the Association to be for the common use, benefit, security or enjoyment of the Owners, which the Association may install or may accept for maintenance in writing. The Common Areas are not dedicated for the use of the general public. Notwithstanding the foregoing definition of "common areas," neither the Association nor its members shall erect, approve of or allow any improvements on or make any changes or alterations to any wetlands, stormwater drainage areas and landscape buffer areas that are protected or regulated by governmental authorities."

1.8. "Limited Common Areas" shall mean the common elements that are reserved herein, or assigned, or granted separately herefrom, for the use of a certain Lot to the exclusion of other Lots, and shall include to each Unit containing a porch, the porch area contiguous to and serving only that Lot.

1.9. "Declarant" shall mean and refer to Bayport, LLC, a Georgia limited liability company, its successors and assigns.

1.10. "Dwelling" shall mean a single-family residential dwelling, constructed or to be constructed on any Lot.

1.11. "ARB" shall mean the Architectural Review Board described in Article 7 herein.

1.12. "Conservation Areas" and "Retention Ponds" shall mean those areas designated as such on the Plat.

1.13. "Lot" shall mean each numbered lot, as shown by the plat of The Verandas at Freeport, Phase IA, as recorded in the Public Records of Walton County, Florida.

1.14. "Member" shall refer to the Class A and Class B Members as defined in Article 5 below, who are also Owners entitled to membership in the Association. Every person or entity who is an Owner of a Lot within the Subdivision shall be a member of the Association.

1.15. "Owner" shall mean and refer to the record Owner, whether one or more person or entities, of the fee simple title to any Lot, which is part of the Properties. Whenever this Declaration provides a use or enjoyment restriction that an Owner can or cannot do, or fails to do certain acts or things, the Owner shall also be deemed to include the Owner's family, guests, tenants, and purchasers, pursuant to an unrecorded contract, and each shall be held financially responsible for any such act or failure to act.

1.16. "Person" shall mean any natural person or artificial entity having legal capacity.

1.17. "Plat" or "Plat(s)" shall mean the plat of The Verandas at Freeport, Phase IA, according to the plat thereof recorded at Plat Book 18 Page 33 - 33E, of the Public Records of Walton County, a reduced copy of which is shown on the attached Exhibit "B".

1.18. "Property" or "Properties" shall mean and refer to that certain real property represented on the Plat and described in Exhibit A, and such additions thereto as may be hereafter be brought within the jurisdiction of the Association.

1.19. "Subdivision" shall mean The Verandas at Freeport, Phase IA.

2. PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO.

2.1. Existing Property. That certain real property that is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration located in Walton County, Florida, and more particularly described in Exhibit "A".

3. PROPERTY RIGHTS

3.1. Common Areas. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Areas, subject to:

3.1.1. This Declaration and any other applicable covenants, including restrictions related to preservation and maintenance of the Stormwater Retention Areas.

3.1.2. Any restrictions or limitations contained in any deed conveying such property to the Association;

3.1.3. The right of the Board of Directors to adopt rules regulating the use and enjoyment of the Common Areas, including rules limiting the number of guests who may use the Common Areas;

3.1.4. The right of the Board of Directors to suspend the right of an Owner to use recreational facilities within the Common Areas:

3.1.4.1. for any period during which any charge against such Owner's Lot remain delinquent; and

3.1.4.2. for a period not to exceed thirty (30) days for a single violation or for a

longer period in the case of any continuing violation of the Declaration, any applicable Supplemental Declaration, the Bylaws or published rules and regulations of the Association, after notice and a hearing;

3.1.5. The right of the Association, acting through the Board of Directors, to dedicate or transfer all or any part of the Common Areas pursuant to the Declaration, Bylaws and Articles;

3.1.6. The right of the Board of Directors to impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Areas;

3.1.7. The right of the Board of Directors to permit use of any recreational facilities situated on the Common Areas by persons other than Owners, their families, lessees and guests upon payment of use fees established by the Board of Directors; and

3.1.8. The right of the Association, acting through the Board of Directors, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

3.1.9. The right of the Association to rent or lease any portion of any recreational facility within the Common Areas on a short-term basis to any Owner for the exclusive use of such Owner and such Owner's family and guests.

3.2. Limited Common Areas. The Lot Owner who has the right of exclusive use of a Limited Common Area shall be responsible for the day-to-day cleaning and care of such area, and the wiring, electrical outlet(s), and fixture(s) thereon, if any, and the replacement of light bulbs. The Association is responsible for the maintenance, repair, and replacement of all Limited Common Areas. Although the Lot Owner is responsible for day-to-day cleaning and care, all painting and maintenance of the Limited Common Areas shall be the responsibility of the Association and shall be a common expense. Each Lot Owner shall have a right and exclusive easement of use, access and enjoyment in and to the Limited Common Areas appurtenant and contiguous to each Owner's respective Lot.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, social invitees, licensees or contract purchasers, as applicable, subject to reasonable regulation by the Board of Directors. An Owner who leases his or her Lot shall be deemed to have assigned all such use and enjoyment rights to the lessee of such Lot.

4. RESUBDIVISION AND ANNEXATION

4.1. Re-subdivision. Lots may not be subdivided or separated into smaller lots. No portion of a Lot may be separately conveyed. However, this provision shall not prohibit corrective deeds or similar corrective instruments. The Declarant shall have the right to modify the Plat to make adjustments to lot boundary lines with consent only of those Owners whose Lot boundaries are to be changed.

4.2. Additional Property.

4.2.1. By Declarant. Declarant shall have the right, but not the obligation, for a period of twenty-five (25) years after the date hereof, from time to time and within its sole discretion,

to annex to the Property and to include within this Declaration additional properties, including properties now or hereafter acquired by it and properties of others which are either abutting the Property (including additions thereto), or which is so situated that its addition will be reasonably consistent with the uniform scheme for development set forth in this Declaration. Any such additions may be made by the filing of record of one or more supplemental declarations with respect to the added property. A supplemental declaration shall contain a statement that the real property that is the subject of the supplemental declaration constitutes additional property, which is to become a part of the Property subject to this Declaration. In addition, a supplemental declaration may contain such additions to or modifications of the provisions hereof applicable to any additional property as may be necessary to reflect the different character, if any, of the additional property that is the subject of the supplemental declaration, including modifications in the basis of assessments or amounts thereof. Such supplemental declaration shall become effective upon being recorded in the Walton County Public Records.

4.2.2. By Owners. Alternatively, additional properties may be annexed to the Property when any of the following occur (but only with the approval of Declarant, while Declarant is still an Owner):

4.2.2.1. A majority of the Owners vote in favor of annexation; or

4.2.2.2. A majority of the Owners agree in writing to annex property.

4.3. Effect of Annexation. In the event that any additional property is annexed to the Property pursuant to the provisions of this Article, such additional property shall be considered within the definition of the Property for all purposes of this Declaration.

5. MEMBERSHIP AND VOTING RIGHTS

5.1. Membership. Every Owner of a Lot shall become a Member of the Association. If title to a Lot is held by more than one Person, each such Person is a Member. An Owner of more than one Lot is entitled to one membership for each Lot owned (subject to Section 5.3 below). Each membership is appurtenant to the Lot upon which it is based and is transferred automatically by conveyance of title. No person other than an Owner may be a Member of the Association, and membership in the Association may not be transferred except by the transfer of title to a Lot.

5.2. Voting. The Association shall have two classes of membership: Class A and Class B. So long as there is Class B membership, Class A members are all Owners except Declarant. The Class B member shall be the Declarant. Upon termination of Class B membership, as provided below, Class A members are all Owners, including Declarant so long as Declarant is an Owner.

5.2.1. The Class B Member shall be entitled to eleven votes for each Lot owned. Class A Members shall be entitled to cast one vote for each Lot owned (and in the case of Lots which have been consolidated with other Lots or partial Lots pursuant to the provisions herein set forth, voting rights for such consolidated Lot(s) shall be adjusted upwards in proportion to the increase in size by virtue of such consolidation).

5.2.2. The Class B member is entitled to elect the Board of Directors until the

termination of the Class B membership.

5.2.3. No Person holding title to a Lot as security for a debt or obligation shall be considered as Owner of such Lot. Such Person shall not be entitled to membership in the Association nor to cast a vote on any question or matter affecting the administration of the Association, except as otherwise provided herein.

5.3. Co-Ownership. If more than one Person owns an interest in any Lot, or if more than one Person owns separate portions of a Lot, all such Persons are Members; but there may be only one vote in the aggregate cast with respect to each such entire Lot. Such vote may be exercised as the co-Owners determine among themselves; but no split vote is permitted among co-Owners. Prior to any meeting at which a vote is to be taken, each co-Owner must file the name of the voting co-Owner with the secretary of the Association to be entitled to vote at such meeting, unless such co-Owners have filed a general voting authority with the Secretary applicable to all votes until rescinded. Notwithstanding the foregoing, if title to any Lot is held jointly by a husband and wife, either spouse is entitled to cast the vote for such Lot unless and until the Association is notified by either spouse otherwise in writing.

5.4. Class B Termination. The Class B membership will terminate and convert automatically to Class A membership (to the extent the Declarant then owns Lots) ("Turnover") upon the happening of any of the following, whichever occurs first:

5.4.1. Three months after Declarant conveys to Members (other than any successor Declarant, developers, builders, contractors or others who purchase a Lot for the purpose of constructing improvements thereon for resale), all its rights, title and interests to ninety percent (90%) of the total platted Lots and ninety percent (90%) of any additional land uses planned for inclusion within the Properties.

5.4.2. Five (5) years from the date of the conveyance of the first Lot; or

5.4.3. The decision of Declarant to convert to Class A membership.

Upon termination of the Class B membership, all provisions of this Declaration, Articles, or By-Laws referring to Class B membership will be obsolete and without further force or effect, including any provision requiring voting by classes of membership. However, notwithstanding the termination of the Class B membership, Declarant may, at its option, in place of voting its Class A membership votes for the election of the Board of Directors, appoint one of the Directors to the Board of Directors, so long as Declarant holds for sale in the ordinary course of business at least five percent (5%) of the total of all the existing Lots in the Property and any land uses planned for inclusion within the Properties. If Directors are being elected for different terms the Declarant shall be entitled to appoint a Director who will sit for the longest term being offered.

5.5. Voting. At every meeting of the Members, each of the Members shall have the right to cast his vote on each question. The vote of the Members representing a fifty-one percent (51%) majority of the total votes cast with respect to any question, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of statute or of the corporate Articles, or this Declaration, or of the By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote by any member whose Lot is owned by more than one Person may be exercised by any

of such Persons present at any meeting unless an objection or protest by any other Owner of such Lot is noted at that meeting. In the event all of the co-Owners of any membership who are present at any meeting of the Members are unable to agree on the manner in which the vote for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. No Member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association.

5.6. Proxies. A Member may appoint any other Member, the Declarant, or any other Person permitted by law or by the By-Laws as his proxy. In no case may any Member (except the Declarant) cast more than one vote by proxy in addition to his own vote. Any proxy must be in writing and must comply with all requirements imposed by law or by the Association's By-Laws.

5.7. Quorum. The presence, either in person or by proxy, of Members representing at least fifty-one percent (51%) of the total votes entitled to be cast with respect to any question, shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of the Members. If the number of Members at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted, other than to adjourn the meeting.

6. COVENANTS FOR MAINTENANCE ASSESSMENTS

6.1. Each Lot is subject to Assessments by the Association for the improvement, maintenance, and operation of the Property, including the management and administration of the Association and furnishing of services as set forth in this Declaration. General Assessments (which include Annual Assessments and Special Assessments), shall be assessed equally to each Lot, except that Declarant shall not be required to pay any General Assessment, whether annual or special, for Lots that it owns and are unoccupied. The furnishing of a model Dwelling for sales display purposes shall not cause the Lot to be considered as having been occupied for assessment purposes. Until the Declarant shall elect to pay annual assessments on Lots, which have not been conveyed by the Declarant to others, to the extent that the revenue received from annual assessments is not adequate to pay the expenses of the Association, the Declarant shall pay the difference between such revenue and expense.

In the event Lots are consolidated with other Lots (or partial Lots), Assessments shall thereafter be imposed against any such consolidated Lot in proportion to the increase in size by virtue of the consolidation.

The Board shall set the date or dates all Assessments shall become due and may provide for collection of any Assessment annually, or in monthly, quarterly, or semiannual installments. Upon default in the payment of any one or more installments, the Board may accelerate the entire balance of that Assessment, which shall be declared due and payable in full.

6.2. Purposes of Assessments. The assessments levied by the Association shall be used:

6.2.1. to promote the recreation, health, safety and welfare of the residents in the

Properties and for the improvements and maintenance of the Common Areas, the Conservation Areas and the Retention Ponds;

6.2.2. to fulfill the responsibility of the Association as described in this Declaration, the Articles of Incorporation, the By-Laws, and the ARB Guidelines; and

6.2.3. to fulfill the responsibilities of the Association as may relate to the wastewater collection system, drainage system, and storm water management system arising as a result of any agreement with or requirement of Walton County, the State of Florida, or Walton County Water & Sewer, their successors or assigns.

6.3. Budget.

6.3.1. Fiscal Year. This fiscal year of the Association shall consist of the twelve-month period beginning of January 1 of each year and terminating on December 31 of that year.

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

6.3.3. Preparation and Approval of Annual Budget. Beginning with the year in which a Lot is first conveyed to an Owner other than Declarant and each year thereafter, on or before December 1, the Board shall adopt a budget for the coming year containing an estimate of the total expenses to be incurred by the Association in carrying out its responsibilities (the "Annual Budget"). Such expenses shall include, without limitation, the cost of wages, materials, insurance premiums, services, supplies, and other expenses for the rendering of all services required under this Declaration, and shall also include reasonable amounts, as determined by the Board, for working capital for the Association and for reserves. On or before December 15, preceding the fiscal year to which the budget applies, the Board shall send to each Owner a copy of the budget in general itemized form setting forth the amount of assessments payable by each Owner. Such budget shall constitute the basis for determining each Owner's Annual Assessment.

6.3.4. Reserves. The Board shall build up and maintain adequate reserves for working capital, contingencies, and replacement, which shall be included in the budget and collected as part of the Annual Assessment. Extraordinary expenditures not originally included in the annual budget, which may become necessary during the year shall be charged first against such reserves. Except in the event of an emergency, reserves accumulated for one purpose may not be expended for any other purpose unless approved by a majority vote of the Members. If the reserves are inadequate for any reason, including nonpayment of any Owner's assessment, the Board may at any time levy a Special Assessment in accordance with the provisions of this Article.

6.3.5. Effect of Failure to Prepare or Adopt Annual Budget. The failure or delay of the Board to prepare or adopt an Annual Budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay General Assessments whenever the amount of such assessments is finally determined. In the absence of an Annual Budget, each Owner shall continue to pay the assessment at the then existing rate established for the previous fiscal period in the manner such payment was

previously due until notified otherwise.

6.4. Annual Assessment. Annual Assessments shall begin on the day of conveyance of the first Lot to an Owner other than Declarant. The initial assessment on any Lot subject to assessment shall be collected at the time title to such Lot is conveyed to the Owner. During the initial year of ownership, each Owner shall be responsible for the pro rata share of the annual or special General Assessment charged to each parcel, prorated to the day of closing based upon a thirty (30) day month.

The Board, by majority vote, shall set the Annual Assessment at a level sufficient to meet the Association's obligations, based upon that year's Annual Budget.

6.5. Special Assessment.

6.5.1. By Meeting. In addition to the Annual Assessment, the Association may levy in any assessment year a Special Assessment applicable to that year and not more than the next four succeeding years. Special Assessments shall be for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto. Any Special Assessment must have the assent of the Class B Member and of two-thirds (2/3) of the votes of the Class A Members voting in person or by proxy at a regular meeting or special meeting duly called for that purpose. Written notice of any such special meeting shall be sent to all members not less than thirty (30) days or more than sixty (60) days in advance of the meeting. If the required Quorum is not present, another meeting may be called, subject to the same notice and Quorum requirements.

6.5.2. Emergency Assessment. The Association may levy an Emergency Special Assessment at any time by a unanimous vote of the Board. Such Emergency Special Assessment may be for the purpose of defraying, in whole or in part, the cost of any unusual or emergency matters that affect all of the Common Property or all of the Members of the Association (including, after depletion of reserves, any unexpected expenditures not provided by the budget or unanticipated increases in the amounts budgeted). Any Emergency Special Assessment shall be due and payable at the time and in the manner specified by the Board.

6.6. Individual Assessments. The Association may levy at any time an Individual Assessment against a particular Lot. Such Individual Assessment shall be for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of an improvement upon the specific Lot, other special services to such Lot such as grounds maintenance or any other charges designated in this Declaration as appropriate for an Individual Assessment. The Association may levy at any time an Individual Assessment against a particular Lot for repair, restoration or maintenance of any Common Areas, necessitated by neglect or the willful or negligent act of the Owner, his family, guests, tenants, invitees, contractors, employees, or agents.

6.7. Capital Contribution. At the closing and transfer of title of each Lot to the first Owner other than Declarant, such Owner shall contribute two (2) months of Association dues to the Association. This contribution shall be used by the Association for the purpose of initial and nonrecurring capital expenses of the Association and for providing initial working capital for the

Association and shall not be considered as a prepayment of assessments.

6.8. Non-Payment of Assessments. Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid on the date when due shall be deemed to be a Delinquent Assessment. Delinquent Assessments shall bear interest at the highest rate allowed by law, until paid in full. Delinquent Assessments, together with interest and the cost of collection thereof, shall immediately become a continuing lien upon the Lot or Lots belonging to the Member against whom the Delinquent Assessment is levied. Such lien shall bind such Lot or Lots in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. The personal obligation of the Member to pay such assessment shall remain his personal obligation for the statutory period. A suit to recover a money judgment for non-payment of any assessment or installment levied may be maintained without foreclosing or waiving the lien herein and by any statute created to secure the same.

6.8.1. The Association may bring an action at law against the Member personally obligated to pay the Delinquent Assessment, or foreclose the lien against the Lot or Lots subject to prior mortgages or deeds of trust upon the Lot or Lots, then belonging to said Member. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common area or abandonment of his Lot.

6.8.2. For the purpose of enforcing the lien of any unpaid and delinquent assessment, each Lot Owner grants the Board of Directors of the Association irrevocably the power to sell his unit at public outcry to the highest and best bidder for cash. The Board of Directors is authorized to make such a public sale if and only if such sale is made subordinate to any prior recorded mortgage or Deed of Trust upon the Lot. The Association is hereby authorized to take any and all courses of action available to it for collection of the Delinquent Assessment that the laws of the State of Florida will allow. Any sale of a Lot to enforce a lien for Delinquent Assessments shall be free from all rights of redemption, (both equitable and statutory) homestead, and dower and all other exemptions, all of which are expressly waived by the Lot Owners. Any such sale and the lien enforced thereby shall take precedence over and have priority over any and all other liens of every nature against the Lot, except real estate and ad valorem taxes assessed against the Lot and the recorded first mortgage. The proceeds of any such sale, whether under the power of sale or by foreclosure suit, shall be applied:

6.8.2.1. first to the payment of the expenses of sale or litigation, attorneys' fees, and sales commission;

6.8.2.2. second, to the payment of real estate and ad valorem taxes assessed against the Lot and any prior recorded or preferred mortgages or deeds of trust;

6.8.2.3. third, to the payment of all amounts due the Association; and

6.8.2.4. the balance, if any, to the Lot Owner whose Lot is sold, or to his assigns.

6.8.3. Upon any default in the payment of any Assessment, the Board of Directors shall have the right to all rents, issues and profits from the Lot in default; to secure the payment through notice to those in possession of the Lot; or by entry into possession in the same manner as a mortgagee entering into possession following default.

6.8.4. All rights, remedies and privileges granted to the Board of Directors or a Lot Owner, pursuant to any terms, provisions and covenants or conditions of the Declaration and By-Laws shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party by the Declaration and By-Laws or at law or in equity.

6.8.5. If the Association retains counsel or a collection agency to obtain payment of any sums due from a Member, then the agency fees and/or legal fees shall be included as part of its cost of collection.

6.8.6. The Association shall notify the holder of the first mortgage on any Lot for which any Assessment levied becomes delinquent for a period in excess of sixty (60) days and in any other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days.

6.9. Personal Obligation. Any and all Assessments, together with any late fee, interest, and cost of collection when delinquent, including reasonable attorney fees, whether suit is brought, (collectively, the "Assessment Charge") shall be the personal obligation of the person or entity who was the Owner of such Lot at the time when the assessment was levied, and of each subsequent Owner. Each Owner of a Lot, by acceptance of a deed or other transfer document therefore, whether it shall be so expressed in such deed or transfer document, is deemed to covenant and agree to pay the Association as applicable the assessments established or described in this Article.

6.10. Creation of Lien. The Assessment Charge shall also be charged on the land and shall be a continuing lien upon the parcel against which the Assessment Charge is made. This lien shall be in favor of the Association and shall be for the benefit of all Owners.

6.11. Owner's Acceptance. Each Owner, by acceptance of title to a Lot, hereby expressly vests in the Association the right and power to bring all actions against such Owner personally for the collection of the Assessment Charge as a debt. This includes enforcing the Assessment Charge by all methods available for the enforcement of liens, including foreclosure by an action brought in the name of the Association in a like manner as foreclosure of a mortgage lien on real property. Each Owner hereby expressly grants to the Association a power of sale in connection with such lien. No Owner may waive or otherwise escape liability for the Assessment Charge by non-use of the Common area or abandonment of his Lot.

6.12. Subordination of the Lien to Mortgages. The lien of the Assessment Charge shall be inferior and subordinate to a first mortgage lien of any bank, savings and loan association, or other institutional mortgagee now or hereafter placed upon the Lot. The sale or transfer of any Lot shall not affect the Assessment Charge lien. However, the sale or transfer of any Lot pursuant to foreclosure of such a Mortgage shall extinguish the lien of such assessments as to payments that became due prior to such sale of transfer. No sale or transfer shall relieve the transferees of such Lot from liability for any assessments thereafter becoming due or from the lien for such new assessments.

6.13. Other Remedies. The Association shall have the right to assess fines, suspend the voting rights and right to use of the Common Property by an Owner, for any period during

which any assessment is Delinquent, and for a period not to exceed sixty (60) days for any infraction of the provisions of this Declaration.

6.14. **Certificate of Payment.** The treasurer of the Association, upon demand of any Owner, shall furnish to such Owner a certificate in writing signed by a member of the Board setting forth whether any assessments are owed by that Owner. Such certificate, when co-signed by the secretary of the Association, shall be conclusive evidence of payment of any assessment therein stated to have been paid.

6.15. **Accounts.** Except as otherwise provided herein, all sums collected by the Board with respect to assessments of all types may be commingled in a single fund.

6.16. **Real Estate Taxes.** If the Common Property is taxed separately from the parcels, the Association shall include such taxes as part of the Annual Assessment. If the Common Property is taxed as a component of the value of the Lot owned by each Owner, then each Owner shall be obligated to promptly pay such taxes prior to them becoming a lien on the Common Property.

7. ARCHITECTURAL CONTROL

7.1. **Construction Subject to Architectural Control.** Except for those Residences and improvements constructed, erected or located by Declarant, no clearing, landscaping, construction, modification, alteration, improvement or structure of any kind, shall be commenced, erected, placed or maintained upon any Lot or upon the Common Areas, unless and until the plans, specifications and location of the same have been submitted to, and approved in writing by the Declarant or the Declarant's designee. The Declarant reserves the right to assign its reserved rights under this Article to the Association or an Architectural Review Board ("ARB"), who upon such assignment shall automatically assume such of the Declarant's obligations under this Article as the Declarant may indicate. Modifications subject to architectural control specifically include, but are not limited to, painting or other alteration of a Dwelling (including doors, windows, and roofs); installation of antennas, satellite dishes, or receivers, solar panels, screens or other devices; construction of fountains, swimming pools, whirlpools, or other pools; construction of privacy walls or other fences; additions of awnings, gates, flower boxes, shelves, statues, or other outdoor ornamentation; patterned or brightly colored outdoor window coverings; anything placed upon the Lot and/or structure on the Lot, that can be seen from any place on the Property; any alteration of the landscaping or topography of the Property including, without limitation, any planting, cutting, or removal of trees or plants; and all other modifications, alterations, or improvements visible from other Lots, whether on a Lot or on Common Areas.

7.2. **Creation of Architectural Review Board.** If the Declarant chooses to create an ARB, it shall have three (3) members, each initially selected by the Declarant for staggered three (3) year terms. A vote of two (2) members of the ARB shall be binding on the ARB. The Declarant shall have the right to replace a member of the ARB at any time.

7.2.1. Meetings may be held from time to time after reasonable notice to the other members, and may be held telephonically. Members may give a voting proxy to another person, subject to the approval of the Declarant.

7.2.2. The ARB may exercise such rights of the Declarant as the Declarant assigns to

the ARB in writing.

7.2.3. The ARB shall not be a entity of the Association until the earlier of (i) 120 days after the Declarant no longer owns any Lot or Building Site; or (ii) the Declarant transfers control of the ARB to the Association in writing ("ARB Turnover"). Upon such event, the ARB shall become a committee of the Board, and the Board may replace members of the ARB as their terms expire in accordance with the procedures set forth below. At that time, any procedures promulgated pursuant to Subsection 7.6 may be replaced by such rules as may be adopted by the Board.

7.3. ARB after ARB Turnover. Upon the ARB becoming a committee of the Board, it will consist of three (3) or more members of the association who will serve at the pleasure of the Board. Any proposed modifications within the Property subject to architectural control under this Article shall be reviewed by the ARB. If the Board fails to establish an ARB, the Board will act as the ARB.

7.4. Application. The plans to be submitted for approval shall include i) the construction plans and specifications, including all proposed landscaping; ii) an elevation or rendering of all proposed improvements; and iii) such other items as the ARB or Declarant may deem appropriate. No construction on any Lot shall be commenced and no Lot shall be modified except in accordance with such plan. Any modification to the approved plan must be reviewed and approved by separate application.

7.5. Basis for Decision. Prior to ARB Turnover, approval may be granted or denied for any reason or for no reason. After ARB Turnover, approval shall be granted or denied by the ARB, based upon compliance with the provisions of this Declaration, the quality of workmanship and material, harmony of design with surrounding structures, effect of construction on the appearance from surrounding Lots and other factors, including purely aesthetic considerations, which in the sole opinion of the ARB will affect the desirability or suitability of the construction.

7.6. Uniform Procedures. The Declarant or the ARB may establish procedures for the review of applications, including review costs and fees, if any, to be paid by the applicant.

7.7. Notification. The Declarant and the ARB shall notify the applicant in writing of approval or disapproval within sixty (60) days of receipt of a completed application in accordance with its respective procedures. If approval or disapproval is not given within sixty (60) days, the application shall be deemed disapproved. If approval is given, construction of the improvements applied for may begin, provided that all such construction is in accordance with the submitted plans and provided further that such plans conform in all respects to the other terms and provisions of this Declaration.

7.8. Liability. Approval by the Declarant or the ARB of an application shall not constitute a basis for any liability of the members of the ARB or Declarant as regards failure of the plans to conform to any applicable building codes, or inadequacy or deficiency in the plans resulting in defects in the improvements.

7.9. Limitations. Nothing shall be erected, constructed, planted, or otherwise placed in such a position (subsequent to the initial construction of improvements on the Property by the Declarant) so as to create a hazard upon or block vision of motorists or interfere with those

easements or other rights set forth in this Declaration.

7.10. **Construction Regulations.** The Declarant and the ARB may also establish regulations governing procedures and behavior of contractors, materials, suppliers and other construction related visitors, including a requirement that deposits be posted, which may be forfeited if the contractor violates the construction regulations. Construction contractors who are unwilling to comply with the construction regulations or who continue to violate the construction regulations may be prohibited from working within the Subdivision by majority vote of the Board of Directors.

7.11. **Enforcement.** If any construction is begun which has not been approved or which deviates from the approved plans, the ARB, the Declarant, or the Association may bring an action for specific performance, declaratory decree or injunction, in addition to such other remedies as provided under this Declaration or at law.

8. USE RESTRICTIONS

8.2. **Allowable Uses.** Each Lot shall be used and occupied for only residential purposes and home occupations. Only one primary residence shall be constructed on each Lot. Lots may not be combined to form a single homesite. Home occupations shall conform to Walton County ordinances, the ARB Guidelines and the rules and regulations of the Association. Except as otherwise expressly set forth herein, no business or commercial building may be erected on any Lot and no business may be conducted on any part thereof. Notwithstanding the foregoing, the use of the dwelling for home occupation shall be allowed, provided that such use shall be clearly incidental and subordinate to its use for residential purposes by its occupants, and shall under no circumstance change the residential character of the structure; there shall be no change in the outside appearance of the building or premises, or other visible evidence of the conduct of such home occupation; no traffic shall be generated by such occupation in greater volumes than would normally be expected in a residential neighborhood; and no equipment, tool or process shall be used in such home occupation which creates interference to neighboring properties due to noise, vibration, glare, fumes, odors or any electrical interference.

8.3. **Renting.** No transient rentals of any Lot or Home located on any Lot are permitted. For purposes of this restriction, the term "transient rentals" shall be deemed to mean any period less than twelve (12) months continuous duration. All leases or rental agreements pertaining to a Lot shall be in writing and shall specifically subject the lessee to the requirements of this Declaration, and to all rules and regulations that shall have been properly promulgated.

8.4. **Offensive Activities.** No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the Owners of other Lots. No junk, wrecks, or inoperative or seldom used automobiles, trucks or boats visible to other Owners shall be permitted to remain on the Property nor shall other unsightly material be stored thereon. All rubbish, trash or garbage shall be regularly removed and shall not be allowed to accumulate. In the event of a claim, controversy, or dispute between or among Lot owners on the question whether an activity is noxious or offensive, or whether anything done or allowed to be located upon a Lot is reasonably an annoyance or nuisance to the Owner of another Lot, the claim, controversy or dispute may be referred by any Owner of a Lot to the Board, which will have sole discretion in

making determinations of fact and whose decision upon such claim, controversy or dispute shall be final and binding.

8.5. Fires. No fires for burning of trash, leaves, clippings or other debris or refuse shall be permitted on any part of the Lots or land contiguous thereto.

8.6. Vehicles, Trailers and Boat Storage. No automobile, truck, motorcycle, moped, boat, boat and trailer, trailer, house trailer, mobile home, recreational vehicle, camper or any other similar transportation vehicle ("vehicle") or device shall be parked on any roadway (including the unpaved portion of the right-of-way thereof) overnight, other than in a designated parking space. All non-operational or nonfunctional vehicles shall be subject to these restrictions and shall at all times be obscured from public or adjoining neighbor's view. All parking within the Property shall be in accordance with the rules and regulations adopted by the Declarant or the Association.

8.7. Animals. No person shall have, keep or maintain on any Lot any fowl, reptiles or animals, domestic or otherwise, except dogs, cats, and other customary household pets, provided that such pets (a) are not kept, bred or maintained for commercial purposes; (b) are duly licensed, if applicable; (c) do not constitute a nuisance; and (d) are not permitted to be present beyond the boundaries of the Owner's Lot without being caged or leashed. All such pets must be walked in appropriate areas and owners of such pets must clean up after their pets. If any such person fails to properly clean up after his pet, the Association shall perform such service and shall bill the pet owner for said service under an Individual Lot Assessment as such is hereafter defined. The Association shall have the right to adopt and enforce such additional pet regulations as are reasonably necessary to ensure that such pets are not and do not become a nuisance.

8.8. Insurance. Nothing shall be done or kept on any Lot or the Common Areas, which will increase the rate of, or result in cancellation of, insurance for Common Areas, Lots, or the contents thereof, without the prior written consent of the Association.

8.9. Signs. No sign of any kind shall be displayed to the public view on any Lot except one sign that conforms with the design standards stipulated in the ARB Guidelines. "For Rent" signs are prohibited. All signs are subject to ARB approval. This restriction does not apply to signs of the Declarant, its agents or assigns, during the sale period of the Lots or to the Association in furtherance of its powers and purposes under this Declaration.

8.10. Attractiveness of Lots. It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly or unkempt condition of the building or grounds on such Lot, which shall tend to substantially decrease the beauty of the neighborhood as a whole or the specific area. All Lots and buildings shall be maintained in a neat, clean and well kept condition. Natural vegetation within the Conservation Areas shall be preserved and maintained in accordance with the provisions of this Declaration and the ARB Guidelines. No garbage, trash, ashes, refuse, house trailers, junk or other waste shall be thrown, dumped, placed or kept on any of the above described Conservation Areas or lands contiguous thereto. All garbage shall be kept in sanitary containers. Unless duly authorized by the ARB, as set forth in Section 7 above, nothing shall be left on the exterior portions of any Lot that can be seen from any place upon the Property, for longer than 12 hours. In the event of an Owner's failure to properly maintain or repair in accordance with the requirements of this section, following written notice thereof from the Association to such Owner of its intention, the Association shall

be authorized to enter upon the property to accomplish such maintenance or repair, the expense of which shall then be recoverable by the Association by special assessment or other legal means.

8.11. **Utility Services and Communications Equipment.** All electrical service, telephone lines, television cables, natural gas lines, communication system lines and similar items shall be placed underground. Exposed or exterior radio or television transmission or receiving antennas, as well as parabolic dishes or satellite dishes, when installed in a manner that minimizes visual impacts, may be permitted at the Developer or ARB's sole discretion.

8.12. **Clothes Drying.** No clotheslines shall be located upon a Lot so as to be visible from any street or from any adjoining real property.

8.13. **Temporary Structures.** No structures of a temporary nature, including mobile homes, house trailers, travel trailers, motor homes, campers or the like shall be allowed anywhere within the Property, either temporarily or permanently.

8.14. **Fuel Storage.** No fuel or gas storage tanks shall be erected, placed or permitted on any part of any Lot. However, an Owner may keep and maintain a small propane gas tank for the operation of a barbecue grill but shall keep same stored in a secure location on his/ her Lot out of public view or the view of other Lot Owners.

8.15. **Garbage and Trash Containers.** No Lot may be used or maintained as a dumping ground for rubbish, trash or other waste. All trash, garbage and other waste shall be kept in sanitary containers within an enclosure constructed as part of each dwelling in a location approved by the ARB. All Lots shall be kept free of the accumulation of rubbish, trash, garbage, other solid waste materials, and all unsightly weeds and underbrush.

8.16. **Solar, Wind, and Other Energy Generating Sources.** The installation and/or addition of solar panels, windmills, or other forms of energy generating equipment, are subject to the approval of the ARB, under the procedures established herein. Such equipment shall be installed or constructed in such manner as to conform to the architectural design of the approved dwelling, and shall be concealed from view as much as possible, and at the sole discretion of the ARB, shall conform to the overall development and aesthetic scheme of the subdivision.

8.17. **Window Air Conditioning Units.** No window or wall air conditioning units shall be permitted. All air conditioner compressors shall be screened from view and insulated by a fence, wall or vegetation so as to minimize noise.

8.18. **Games and Play Structures.** No platform, doghouse, playhouse, or structure of a similar kind or nature, shall be constructed on any part of a Lot located in front of the rear line of the residence constructed thereof, and any such structure must have prior approval of the ARB.

8.19. **Common Areas Use.** The Association may promulgate rules and regulations to define and restrict the use of the Common Areas, Conservation Areas and Retention Ponds, and any structures, which may be constructed thereon by the Owners, Declarant or the Association.

8.20. **Water and Sewer Service.** All water, excepting only that utilized for irrigation purposes, used by any Owner shall be obtained from the Walton County Water and Sewer Administration (WSA), its successors or assigns. All sewage must be disposed of through the sewage lines owned and controlled by WSA, its successors or assigns. The foregoing restriction is imposed as a result of the Declarant's having granted to WSA the sole and exclusive right to provide water and sewer facilities and service to the property.

8.21. **Timeshare.** Timeshare ownership of any structure constructed on a Lot shall not be permitted. Timeshare ownership shall include any method of ownership where the right of use, possession or occupancy is divided into time units or points and sold, leased or licensed to various individuals. Timeshare ownership shall generally not include ownership by a group of individuals as tenants-in-common or other joint tenancy.

9. INSURANCE

9.2. **Association Authorized to Insure.** The Association may purchase insurance to provide the following described coverages and such other types of insurance as the Association deems advisable:

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

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

9.2.3. **Casualty Insurance.** Casualty insurance (including, but not limited to windstorm and flood insurance) for all improvements to the Common Areas, to cover the full replacement cost, which coverage may include extended coverage, vandalism, malicious mischief, windstorm, flood, and any other coverage deemed desirable by the Association.

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

9.3. Premiums. Premiums upon insurance policies purchased by the Association is a common expense of the Association, which shall be included in assessments paid to the Association by the Owners.

10. TOTAL OR PARTIAL CONDEMNATION

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

11. EASEMENTS

11.1. Easements in Favor of the Declarant and Association. The Declarant hereby creates and reserves for itself, its successors and assigns and for the Association the following easements, which shall benefit the Properties:

11.1.1. Utility Easements. A blanket non-exclusive easement upon, across, over, through, and under the Property for ingress, egress, installation, replacement, repair and maintenance of all public and private utility and service systems. These systems include, but are not limited to, water, sewer, irrigation systems, drainage, telephone, electricity, natural gas, television, cable or communication lines and other equipment. By virtue of this easement the Declarant, and its successors or assigns, may install and maintain facilities and equipment, excavate for such purposes and affix and maintain wires, circuits and conduits. However, the exercise of this easement must not unreasonably disturb each Owner's right of quiet enjoyment of their Lot.

11.1.2. The Declarant reserves for itself, its successors and assigns and for the Association the right to grant future specific easements to utility companies for services including but not limited to electrical, telephone, cable TV, internet and natural gas, which may burden individual Lots, regardless of whether said Lots have been transferred to subsequent Owners.

11.1.3. Drainage Easements. A blanket non-exclusive easement and right on, over, under and through the ground within the Properties to maintain and to correct drainage of surface water and other erosion controls. This easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health, safety or appearance or to comply with governmental requirements. The Declarant or Association, as applicable, shall notify affected Owners (except in an emergency) and shall restore the affected property to its original condition as nearly as practicable. This easement may be exercised by the Declarant or the Association. Without limiting the generality of the foregoing language, the Owner of each Lot shall maintain in good and operational condition and repair the areas of the Owner's Lot constructed or approved for use for stormwater management, retention, storage or treatment. No such area shall be altered and no improvements shall be

placed or allowed to be placed or to remain in such areas without the prior written approval of the Design Review Board.

11.1.4. Non-exclusive Easements on Plat. All easement areas shown on the Plat(s) are non-exclusive easement grants. Declarant reserves, both for itself and the Association, the right to grant additional non-exclusive easements over, under, across and through such areas, provided that such additional easement grants do not materially interfere with the activities for which such areas were established.

11.1.5. Development Easement. A nonexclusive easement and right of access in favor of Declarant across, under and to all Lots and Common Areas for construction thereon of subdivision improvements, sale of Lots and such other purposes and uses Declarant deems appropriate or necessary in connection with the sale and development of the subdivision.

11.1.6. Landscape Maintenance Easement. A blanket access and maintenance easement over all area within the Property outside the footprint of approved buildings. The purpose of this easement is to enable the Association to maintain primary and effective control over the installation and maintenance of all plant materials and necessary water well and irrigation systems in this area by Owners and/or the Association. Without specific written prior consent, no Owner or their agent may attempt to maintain or modify the vegetation in this area.

11.2. Private Street and Common Areas. Each Owner shall have the right to use the Common Areas including the private parking areas as shown on the Plat, as well as the public roads that run throughout the Development.

11.3. General. Declarant does hereby grant a nonexclusive personal easement and right of ingress and egress across, under, and to all Common Areas, to each and all law enforcement, fire fighting, and postal or delivery organizations, and to any other persons, organizations or entities who, in the normal course of their operation, respond to public or private emergencies, or who provide public or private utility services.

12. RULES AND REGULATIONS

12.1. Initial Promulgation. The initial rules and regulations for the Association may be promulgated by the Declarant and may be not only as to those matters and subjects identified in this Declaration but may also be as to any matter and subject, the regulation of which shall be needed to govern misconduct or to promote harmony among the Owners.

12.2. Amendment. The initial rules and regulations for the Association shall be amended only by the Board of Directors of the Association.

13. GENERAL PROVISIONS

13.1. Indemnification. The Association shall indemnify every one of its officers, directors and committee members against all damages and expenses, including legal counsel fees, reasonably incurred in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director or committee member, except

that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section and Florida law.

The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director or committee member may be entitled. The Association may, as a Common Expense, maintain adequate general liability, officers' and directors' liability insurance and other insurance deemed advisable to fund this obligation, if such insurance is reasonably available.

13.2. **Dedication of Common Areas.** The Association may dedicate portions of the Common Areas to Walton County, Florida, or to any other local, state or federal governmental or quasi-governmental entity for purposes determined to be in the interest of the Owners.

13.3. **Security.** The Association may, but shall not be obligated to maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. Neither the Association, the original Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Properties, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system or measures, including any mechanism or system for limiting access to the Property, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended.

13.4. **Stormwater Management System.**

13.4.1. **Definitions.** "Surface Water or 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 and quality of discharges from the system, as permitted pursuant to chapters 40c-4, 40C-40, or 40C-42, F.A.C.

13.4.2. **Use of Property. Surface Water or Stormwater Management System.** The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system. Maintenance of the surface water or stormwater management system(s) shall mean the exercise of practices that allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by Walton County or the State of Florida. The Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the surface water or stormwater management system shall

be as permitted, or if modified, as approved by Walton County, the State of Florida, or the City of Freeport.

13.4.3. Amendment. Any amendment to the Covenants and Restrictions that alter the surface water or stormwater management system, beyond maintenance in its original condition, including the water management portions of the common areas, must have the prior approval of Walton County, the State of Florida and/or any other appropriate governmental agency.

13.5. Enforcement. Other than as specifically set forth herein, the Association, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure of the Association or by any Owner to enforce any restriction, condition, covenant, reservation, lien, charge, rule or regulation herein contemplated or contained shall in no event be deemed a waiver of the right to do so thereafter. If any court proceedings are required for the successful enforcement of any condition, restriction or covenant contained herein (due to its violation or breach) or lien against any Owner or against any other person or entity, said Owner, person or entity expressly agrees to pay all costs, including a reasonable attorney's fee, of the party initiating such successful judicial proceeding for the enforcements of said condition, restriction, covenant and/or lien. Notwithstanding anything herein to the contrary, any and all costs, including but not limited to attorneys' fees and court costs, which may be incurred by the Association or the Declarant in the enforcement of any of the provisions of this Declaration, regardless of whether such enforcement requires judicial action, shall be assessed as an Individual Lot Assessment to the Owner against whom such action was taken.

13.6. Association's Performance of Owner's Duties. If an Owner of any Lot shall fail to comply with any of its obligations under this Declaration and such failure continues for ten (10) days after written notice of such failure from the Association, the Association, after approval by a majority of the Board of Directors, shall have the right, through its agents, employees or contractors, to enter upon said Lot and to perform such acts and pay such amount necessary to fulfill such obligations and bring the Lot and Owner into compliance with this Declaration and all costs and expenses incurred in connection therewith shall be a Individual Lot Assessment against such Lot.

13.7. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions that shall remain in full force and effect.

13.8. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of 20 years from the date this Declaration is recorded. Thereafter, they shall be automatically extended for successive periods of 10 years unless 75% of the members of the Association and 75% of the holders of first mortgages against Lots in the development decide that such covenants, conditions and restrictions shall abate. Such a decision, if made, shall be evidenced by an agreement in writing signed by 75% of the membership and by 75% of the first mortgage holders, setting forth their decision, which document shall be effective when duly recorded in the Public Records of Walton County, Florida.

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

13.10. Amendment.

13.10.1. By Members. This Declaration may be amended at any time by an instrument signed by the president or vice president and secretary of the Association, certifying approval in writing by seventy-five percent (75%) of the voting interests. Rights reserved to the Declarant may not be amended without the specific consent of the Declarant.

13.10.2. By the Declarant. The Declarant specifically reserves the absolute and unconditional right, so long as it is a Class B Member, to amend this Declaration without consent or joinder of any party (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Association, Office of Interstate Land Sales Registration, Federal Home Loan Bank Board or any other similar entity, (ii) to conform with the requirements of institutional mortgage lenders or title insurance companies, (iii) to clarify the Declaration's provisions or correct errors, and/or to (iv) to make any other changes which, in the sole opinion of Declarant, is necessary or convenient for the orderly development of the Subdivision.

13.10.3. Recording. Any amendment shall take effect upon recording in the public records.

13.11. Legal Fees. Any and all legal fees, including but not limited to attorneys' fees and court costs, which may be incurred by the Association in the enforcement of any of the provisions of this Declaration, regardless of whether such enforcement requires judicial action, shall be assessed (by either general or special assessment) against and collectible from the Owner against whom such action was taken and shall be a lien against such Owner's Lot in favor of the Association.

13.12. Continuing Violation. Any single violation of any use restriction by an Owner shall constitute a continuing violation, which shall allow the Association or any other Owner to seek permanent injunctive relief. In no event shall a violation of these conditions, restrictions, or covenants ever be interpreted to work a reverter or forfeiture of title.

13.13. Notices. Any notice required to be sent to the Owner of any lot under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the last know address of the person who appears as Owner of such Lot on the records of Association at the time of such mailing.

Signature appears on the following page

SIGNATURES

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused these presents to be signed, sealed and delivered June 20, 2008.

Eddie Jenkins
Print Witness Name: Eddie Jenkins

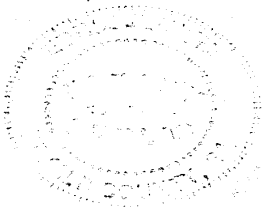
Bayport, LLC

By: Jeffrey C. Glover
Jeffrey C. Glover, Manager

[Signature]
Print Witness Name:

STATE OF Georgia
COUNTY OF Fulton

The foregoing instrument was acknowledged before me on June __, 2008, by Jeffrey C. Glover, Manager and on behalf of Bayport, LLC, a Georgia limited liability company. He is personally known to me.



Eddie Jenkins
Notary Public:
Name: Eddie Jenkins
Commission No. _____ My Commission Expires August 17, 2010

CONSENT OF MORTGAGEE

GulfSouth Private Bank, the owner and holder of a mortgage encumbering the land described in Exhibit "A", attached to the Declaration of Covenants, Conditions, and Restrictions for The Verandas at Freeport, Phase 1A (the "Declaration"), to which this consent is attached, hereby consents to said Declaration, but does not subordinate its mortgage in any manner.

EXECUTED on July 9, 2008.

WITNESSES:

Bethany Dalman
Print Witness Name: Bethany Dalman

Brian C. Rosales
Print Witness Name: BRIAN C. ROSALES

MORTGAGEE:

GulfSouth Private Bank

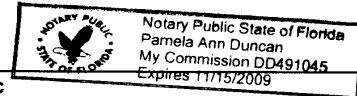
By: Sam Cobb
Sam Cobb

(BANK SEAL)

STATE OF FLORIDA

COUNTY OF DEAL0034

The foregoing instrument was acknowledged before me on July 9, 2008, by Sam Cobb, the SR VICE PRES and on behalf of GulfSouth Private Bank. He is personally known to me or produced a current driver's license as identification.



Notary Public
(Seal)

My Commission Expires: 11/15/2009

Pamela Ann Duncan

JOINDER OF MORTGAGEE

Richard B. Means, the owner and holder of a mortgage encumbering the land described in Exhibit "A", attached to the Declaration of Covenants, Conditions, and Restrictions for The Verandas at Freeport, Phase 1A Townhomes (the "Declaration"), to which this joinder is attached, hereby consents to and joins in said Declaration.

EXECUTED on June 23, 2008.

WITNESSES:

Sallie H. Chasteen

Print Witness Name:

Abby Leonard

Print Witness Name:

STATE OF Georgia
COUNTY OF DEKALB

The foregoing instrument was acknowledged before me on June 23, 2008, by Richard B. Means who is personally known to me or produced a current driver's license as identification.

MORTGAGEE:

Richard B. Means
Richard B. Means

Sallie H. Chasteen
Notary Public
(Seal)

My Commission Expires: June 3, 2012

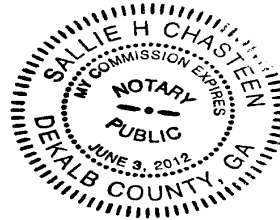


Exhibit "A"
Legal Description

**A SUBDIVISION IN SECTION 10, TOWNSHIP 1 SOUTH, RANGE 19
CITY OF FREEPORT, WALTON COUNTY, FLORIDA**

DESCRIPTION:

A PARCEL OF LAND LYING IN SECTION 10, TOWNSHIP 1 SOUTH, RANGE 19 WEST, WALTON COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 1 SOUTH, RANGE 19 WEST, WALTON COUNTY, FLORIDA; THENCE SOUTH 88 DEGREES 24 MINUTES 19 SECONDS EAST ON THE SOUTH BOUNDARY OF SAID NORTHWEST QUARTER, A DISTANCE OF 1319.50 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 10 AND THE POINT OF BEGINNING; THENCE DEPARTING SAID SOUTH LINE OF THE NORTHWEST QUARTER, GO NORTH 01 DEGREES 18 MINUTES 19 SECONDS EAST ON THE EAST BOUNDARY OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER, A DISTANCE OF 323.62 FEET; THENCE DEPARTING SAID EAST BOUNDARY, GO SOUTH 88 DEGREES 43 MINUTES 41 SECONDS EAST, A DISTANCE OF 81.41 FEET TO A POINT ON A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 318.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 27 DEGREES 28 MINUTES 31 SECONDS, AN ARC DISTANCE OF 151.53 FEET, (CHORD BEARING AND DISTANCE = NORTH 77 DEGREES 08 MINUTES 15 SECONDS EAST, A DISTANCE OF 150.09 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 63 DEGREES 24 MINUTES 00 SECONDS EAST, A DISTANCE OF 168.63 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 331.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 23 DEGREES 51 MINUTES 58 SECONDS, AN ARC DISTANCE OF 137.88 FEET, (CHORD BEARING AND DISTANCE = NORTH 51 DEGREES 28 MINUTES 00 SECONDS EAST, A DISTANCE OF 136.88 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 39 DEGREES 32 MINUTES 00 SECONDS EAST, A DISTANCE OF 154.69 FEET; TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 190.00 FEET; THENCE ON THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 28 DEGREES 06 MINUTES 12 SECONDS, AN ARC DISTANCE OF 93.18 FEET, (CHORD BEARING AND DISTANCE = NORTH 53 DEGREES 35 MINUTES 07 SECONDS EAST, A DISTANCE OF 92.26 FEET) TO THE POINT OF TANGENCY OF SAID CURVE; THENCE NORTH 67 DEGREES 38 MINUTES 12 SECONDS EAST, A DISTANCE OF 265.78 FEET; THENCE NORTH 68 DEGREES 33 MINUTES 59 SECONDS EAST, A DISTANCE OF 79.90 FEET; THENCE SOUTH 42 DEGREES 45 MINUTES 06 SECONDS EAST, A DISTANCE OF 127.09 FEET; THENCE SOUTH 88 DEGREES 43 MINUTES 49 SECONDS EAST, A DISTANCE OF 257.49 FEET; THENCE NORTH 01 DEGREES 59 MINUTES 00 SECONDS EAST, A DISTANCE OF 570.20 FEET; THENCE SOUTH 88 DEGREES 00 MINUTES 14 SECONDS EAST, A DISTANCE OF 383.44 FEET; THENCE SOUTH 08 DEGREES 37 MINUTES 51 SECONDS WEST, A DISTANCE OF 918.06 FEET; THENCE NORTH 88 DEGREES 24 MINUTES 19 SECONDS WEST, A DISTANCE OF 423.14 FEET; THENCE SOUTH 01 DEGREES 35 MINUTES 41 SECONDS WEST, A DISTANCE OF 96.76 FEET; THENCE NORTH 88 DEGREES 24 MINUTES 19 SECONDS WEST, A DISTANCE OF 161.03 FEET; THENCE NORTH 00 DEGREES 39 MINUTES 51 SECONDS EAST, A DISTANCE OF 6.37 FEET; THENCE NORTH 88 DEGREES 24 MINUTES 19 SECONDS WEST, A DISTANCE OF 104.58 FEET; THENCE SOUTH 00 DEGREES 51 MINUTES 01 SECONDS WEST, A DISTANCE OF 308.25 FEET; THENCE SOUTH 89 DEGREES 09 MINUTES 37 SECONDS EAST, A DISTANCE OF 0.57 FEET; THENCE SOUTH 00 DEGREES 50 MINUTES 23 SECONDS WEST, A DISTANCE OF 15.63 FEET TO A POINT ON THE AFORESAID SOUTH BOUNDARY OF THE NORTHWEST QUARTER OF SECTION 10; THENCE NORTH 88 DEGREES 24 MINUTES 19 SECONDS WEST ON SAID SOUTH BOUNDARY, A DISTANCE OF 899.50 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

SAID PARCEL CONTAINING 22.01 ACRES.

CITY OF FREEPORT STATEMENT:

PURSUANT TO FLORIDA STATUTES 177.081 (3) ALL PUBLIC AREAS SHOWN ON THIS PLAT, UNLESS OTHERWISE STATED, SHALL BE DEEMED TO HAVE BEEN DEDICATED TO THE PUBLIC FOR THE USES AND PURPOSES HEREON STATED. HOWEVER, NOTHING HEREIN SHALL BE CONSTRUED AS CREATING AN OBLIGATION UPON THE CITY OF FREEPORT TO PERFORM ANY ACT OF CONSTRUCTION OR MAINTENANCE WITHIN SUCH DEDICATED AREAS, EXCEPT WHEN THE OBLIGATION IS VOLUNTARILY ACCEPTED BY THE GOVERNING BODY OF THE CITY OF FREEPORT, FLORIDA. THE MERE RECORDING OF THIS PLAT DOES NOT CONSTITUTE ACCEPTANCE FOR ANY ACT OF CONSTRUCTION OR MAINTENANCE.

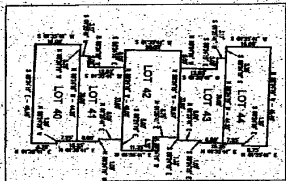
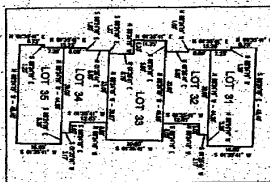
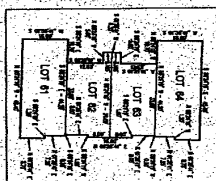
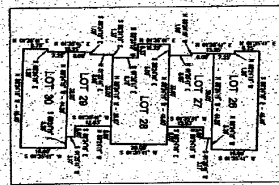
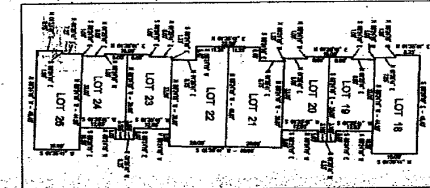
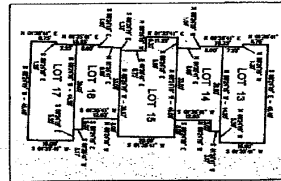
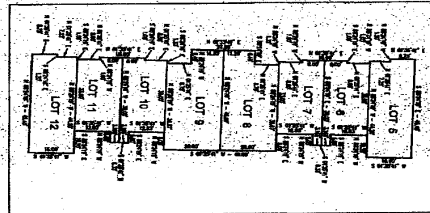
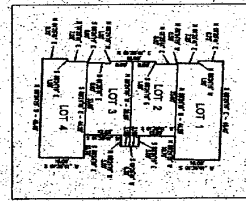
PURSUANT TO CHAPTER SECTION 177.091(28) FLORIDA STATUTES, ALL PLATTED UTILITY EASEMENTS SHOWN HEREON SHALL ALSO BE EASEMENTS FOR THE CONSTRUCTION, INSTALLATION, MAINTENANCE AND OPERATION OF CABLE TELEVISION SERVICES.

Exhibit "B"
Copy of Filed Plat

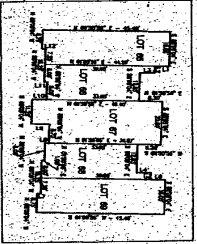
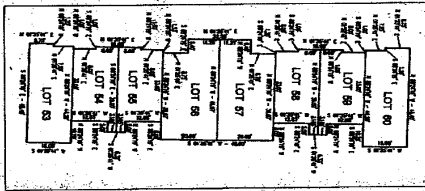
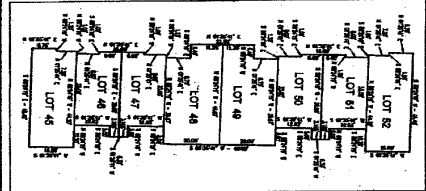
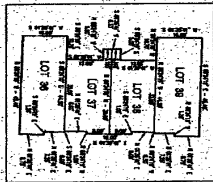
VERANDAS AT FREEPORT PHASE 1A

A SUBDIVISION IN SECTION 12, TOWNSHIP 1 SOUTH, RANGE 19 WEST,
CITY OF FREEPORT, WILSON COUNTY, FLORIDA

LOT 1001 OF 1000



LOT	AREA (SQ. FT.)	AREA (AC.)
1	10,000	0.23
2	10,000	0.23
3	10,000	0.23
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96	10,000	0.23
97	10,000	0.23
98	10,000	0.23
99	10,000	0.23
100	10,000	0.23



VERANDAS AT FREEPORT PHASE 1A
SHEET 1 OF 5

VERANDAS AT FREEPORT PHASE 1A
SHEET 1 OF 5