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Declaration of
Covenants, Conditions and Restrictions
Of Silver Oaks Subdivision
Phase I

THIS DECLARATION, made on the date hereinafter set forth by BONEZZI DEVELOPMENT COMPANY, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Okaloosa County, Florida, which is more particularly described as:

SILVER OAKS PHASE I, a subdivision, according to the plat thereof recorded in Plat Book 18, Pages 19-20-21 of the Public Records of Okaloosa County, Florida

NOW THEREFORE, Declarant hereby declares that all of the properties 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 properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE 1. DEFINITIONS.

Section 1. "Association" shall mean and refer to The Silver Oaks Homeowners Association Phase I, a Florida not for profit corporation.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of conveyance of the first lot is described as follows: Picnic area, entrance, signage, decorative fence, all as depicted on the subdivision plat. Common Area shall also include any wetlands, drainage or storm water structure, swale, drainage basin, or drainage system for which the Association shall have maintenance responsibility pursuant to any agreement with Okaloosa County or the State of Florida.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded any recorded subdivision map of the Properties with exception of the Common Area.

Section 6. "Declarant" shall mean and refer to BONEZZI DEVELOPMENT COMPANY, a Florida Corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II. PROPERTY RIGHTS.

Section 1. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.
- (b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations.
- (c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS.

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

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

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) Five years from the conveyance of the first lot.

Section 3. Owners other than the declarant are entitled to elect at least a majority of the Board of Directors of the Association three months after 90% of the Lots have been conveyed or the owners have a majority of votes in accordance with Section 2 above, whichever occurs first occurs.

ARTICLE IV. COVENANT FOR MAINTENANCE ASSESMENTS.

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The

annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement, maintenance of the Common Area, Insurance and ad valorem real property taxes levied on said common areas.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum assessment shall be two hundred dollars (\$ 200.00) per lot.

- (a) From and after January 1 of the year immediately following the conveyance of the first lot owner, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only 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 Area, including but not limited to fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice of Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized Under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At such a meeting, the presence of members or of proxies entitled to cast majority of all the votes of each class of membership shall constitute a quorum.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 6 percent per annum. The Association may bring an action at law against the property. 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.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V. ARCHITECTURAL CONTROL.

No building, fence, wall, or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it approval will not be required and this Article will be deemed to have been fully complied with.

Section 1. Review Personnel. The Architectural Committee may employ experts or contract with individuals or companies as necessary to assist in the review process.

Section 2. Fees. The fee for architectural review is \$50.00 and the cost of the review personnel in section 1 above, if any.

Section 3. Construction Subject to Review. All construction or modification (except interior alterations not affecting the external structure or appearance of any structure) on any Lot or within the Common Area must be approved in advance by the Architectural Committee. Modifications subject to review specifically include, but are not limited to, painting or other alteration of structure (including doors, windows and trim); replacement of roof or other parts of structures other than with duplicates of the original material; installation of antennas, satellite dishes or receivers, solar panels or other devices; construction of sidewalks, fountains, swimming pools, whirlpools or other pools, construction of privacy walls or other fences or gates; addition of awnings, flower boxes, shelves, mailboxes, statues, or other outdoor ornamentation; detached buildings; window coverings; and individual wells or septic tanks and any material alteration of the landscaping or topography of the subdivision. The listing of a category does not imply such construction is permitted.

Section 4. Application. The plans to be submitted for approval shall include (I) the construction plans and specifications, (II) elevations of all improvements, and (III) such other items as the Architectural Committee may require. 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.

Section 5. Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the Architectural Committee shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, any committee, or member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modification to any unit.

Section 6. Contractors. Persons or entities constructing a residential dwelling in the subdivision must be a Florida registered contractor and must be on the developers approved list of contractors. The Contractor's name and copy of licenses shall be submitted at the same time the plans and specifications are submitted to the association in accordance with Section 3 above.

ARTICLE VI. ARCHITECTURAL GUIDELINES.

Section 1. Garage. No garage shall face the street with the exception of corner lots. Corner Lot garages shall face the street opposite the front elevation of the house. All garages shall be double-garages or two car garages that are capable of holding two vehicles.

Section 2. Front Elevation. The front elevation of all improvements shall consist of at least 50% brick or 50% stucco or 50% stone.

Section 3. Mailboxes. Mailbox stations shall be identical and will be supplied by the developer at its cost not to exceed \$150.00 each.

Section 4. Living area. All improvements must have a minimum living area of 1800 square feet. This minimum living area must be heated and cooled by a central heat and air supply.

Section 5. Driveways. Driveways must be concrete and complete before improvement is occupied in any way.

Section 6. Sidewalks. Each Lot Owner, simultaneously with the construction of improvements on a Lot shall construct a concrete sidewalk 4' in width in accordance with the Okaloosa County Standards on the edge of the County Right of Way abutting that Owner's Lot. After

construction, the replacement, repair and maintenance of said sidewalk shall be a common expense of the Association.

Section 7. Landscape. All front lawns must be sodded or landscaped prior to occupancy with 50% of the whole Lot, at minimum, being sodded or landscaped surface.

Section 8. Swimming Pools, Spas, Hot Tubs. Swimming pool design and construction details must be submitted for review and approval by the Architectural Committee. In ground pools are encouraged. All pools shall be fenced in with the approved fence recommended by the Architectural Committee.

Section 9. Streetlights. All Lot owners shall be required to purchase from the developer a street lamp with post. The cost of the same shall be at the developers cost, not to exceed \$250.00. Each lot owner simultaneously with the construction of improvements on the lot shall pay developer for and at the owner's expense and install same. Installation location shall be at the intersection of the sidewalk and driveway at the widest remaining frontage of the lot.

Section 10. Utilities. All electrical, telephone lines, t.v. cables and similar items shall be placed underground, and no exposed or exterior radio or television transmission or receiving antenna shall be erected, placed or maintained on the property. The foregoing shall not preclude installation of parabolic dishes or satellite dishes that are not observable by other lot owners.

ARTICLE VII. EASEMENTS.

Section 1. Utilities. Easement for Utilities, Etc. There are hereby reserved to the Declarant, Owners of any Lot, the Association, and the designees of each (which may include, without limitation, any governmental agency and utility company) perpetual non-exclusive easements upon, across, over, under and through all the Property (but not through a structure) for ingress and egress and for installation, monitoring, replacing, repairing, maintaining equipment.

Section 2. Easements There is hereby reserved to the Declarant, so long as the Declarant owns any of the Property, the non-exclusive right and power to grant such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of the Property, or any other real property adjacent thereto.

Section 4. Damage/Repair. Any damage to a Lot, or any structure located thereon, resulting from the exercise of the easements described in this Article shall promptly be repaired by, and at the expense of, the person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the owner or occupant.

ARTICLE VIII. MAINTENANCE

Section 1. Association's Responsibility. The Association shall be responsible for the care, maintenance and repair of the (a) Common Area, including all improvements thereon, (b) any portion of the Property that is conveyed to a governmental or quasi-governmental agency or utility company that has not agreed to care for, maintain, and repair such portion of the Property, and (c) any equipment or property used by the Association located upon under or over any lot of Lot Owners. There are hereby reserved to the Association easements over the Property as necessary to enable the Association to fulfill such responsibilities. All costs associated with maintenance, repair and replacement of the Common Area shall be allocated among all Lots as part of the Annual Assessment.

Section 2. Owner's Responsibility. Each Owner shall be responsible for the maintenance of his Lot, including all structures, parking areas, and other improvements located thereon in a manner consistent with the community wide standards and all applicable covenants. Garbage cans, equipment, woodpiles, storage areas or septic tanks shall be concealed from view of neighboring buildings, common area and streets. Rubbish, trash, or garbage shall be regularly removed and shall not be allowed to accumulate. If the Board determines in its discretion that any Owner fails to perform his or her maintenance responsibility, the Association, by a majority vote of the Board, shall have the right without liability to enter upon such Lot to correct, restore, paint and maintain any part of the Lot and to have any assessment to which such Lot is subject, or otherwise recovered by the Association by other legal means. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation. The expense incurred by the Association shall be collected from the lot owner as specified in Article III, Sections 1 and 2.

ARTICLE IX. USE RESTRICTIONS.

Section 1. Lots. Only single family residences and related improvements as specified in the Architectural Standards may be constructed on the Lots. Lots cannot be combined for the purpose of

constructing a single residence without Declarant's permission which he may grant or withhold in the Declarant's sole discretion. Home occupations which conform with Okaloosa County's requirements and are approved in writing by the Declarant or Association shall be permitted. Signs referencing the home occupation are prohibited.

Section 2. Renting. Residential dwellings may be rented, subject only to rules and regulations established by the Association.

Section 3. Offensive Activities. No obnoxious or offensive trade or activity shall be carried on or permitted upon any Lot, nor shall anything be done on any Lot which may become a nuisance or annoyance to Owners of other Lots.

Section 4. Fires. No irresponsible burning of trash, leaves, clippings or other debris or refuse shall be permitted on any part of the Lots or land contiguous thereto. All fires shall be supervised at all times and kept under control.

Section 5. Vehicles, Trailers, and Boat Storage. Inoperative vehicles, travel trailers, recreational vehicles, commercial vehicles, buses and trucks with more than six wheels, boats and trailers, if stored on a Lot shall be kept in a concealed manner: closed garage, storage space, or within a fence, all so as not to be observable from other Lots or Common Areas. Garage and storage spaces must be approved by the Architectural Committee.

Section 6. Mobile Homes. All mobile homes and manufactured homes are prohibited, including, but not limited to, manufactured homes constructed to the Federal Department of Housing and Urban Development standards.

Section 7. Pets. Raising, breeding or keeping of animals, livestock, or poultry of any kind is prohibited on any Lot. Household pets may be kept provided that they are under the Owner's control at all times. Those pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health and safety of, or constitute a nuisance or inconvenience to the occupants of other Lots shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove pet.

Section 8. Lots. Lot shall not be further subdivided into smaller parcels, and the boundary lines of any Lot shall not be changed after a subdivision plat including such Lot has been approved and filed in the Official Records, except that the Declarant shall be permitted to subdivide or re-plat Units which it owns. Each Lot shall be conveyed as a

separately designated and legally described free hold estate subject to the terms, conditions and provisions of this Declaration.

Section 9. Signs. No signs shall be displayed on the property except signs identifying the property name and address as specified by the developer. The foregoing shall not preclude the erection of signs by the Declarant and Florida Registered Contractors during the time of its development and marketing of the subdivision.

Section 10. Attractiveness of Lots. It shall be the responsibility of each Lot Owner to prevent the development of any unclean, unsightly or unkept condition of the building or grounds on such Lot which shall substantially decrease the beauty of the neighborhood as a whole or a specific area. All Lots and buildings shall be maintained in a neat, clean and well kept condition. Preservation of natural vegetation is encouraged. Areas which retain the natural vegetation or are landscaped to achieve a natural effect shall be maintained to preserve and enhance their natural character. No garbage, trash, ashes, refuse, house trailers, junk or other waste shall be thrown, dumped, placed or kept on any of the above described Lots or lands contiguous thereto. All garbage shall be kept in sanitary containers which are hidden from view except on collection days. 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 in accordance with Article IV, Sections 1 and 2.

Section 11. Time Sharing. No time-share ownership of Lots is permitted. For this purpose, the term "time-share ownership" shall mean a method of Ownership of an interest in a Lot under which the exclusive right of use, possession or occupancy of the Lot circulates among various Owners on a periodically reoccurring basis over a schedule period of time.

Section 12. No Outdoor Laundry. Outdoor drying of laundry must be done in areas that are completely screened from view of adjacent Lots and any streets.

Section 13. Drainage. Obstruction or re-channeling of drainage flows after location and installation of drainage swales or storm drains is prohibited, except the Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value or unreasonable interfere with the use of any Lot without the Owner's consent.

Section 14. Detached Structures. Not detached structures may be constructed without the approval of the Architectural Committee. Detached structures include, but are not limited to; pool houses, bath houses, gazebos, kennels, tree houses, dog houses, potting sheds or tool sheds.

Section 15. Rubbish, Trash. No rubbish, trash, or garbage shall be allowed to accumulate except between regular garbage pick ups.

Section 16. Temporary Living Quarters. No recreational vehicles or temporary living quarters of any kind will be permitted on Lots during construction.

Section 17. Setback Requirements. Set backs will be as follows: Right and Left setbacks shall be 10' from the right lot line and 10' from the left lot line. Front setback shall be 35' from the right of way. Rear setback shall be 25' from the rear lot line.

Section 18. Easements. Where wetlands boarder rear or side lot lines, it is understood that the jurisdictional line of wetlands shall be the furthest fencable portion of a lot. If a lot line is in a wetland area, that aforesaid lot line shall in no way allow a lot owner to place a fence on that lot line if in wetlands area. No fences shall be placed in drainage easements.

Section 19. Model Homes/Office. So long as a Florida Registered Contractor is developing and actively marketing its completed residential dwellings in the subdivision it may use one of its dwellings as a model home and one as an office.

ARTICLE X. INSURANCE.

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

- a. Casualty Insurance. Casualty insurance for all improvements to the Common Area to cover the full replacement cost, which coverage, vandalism, malicious mischief, windstorm, flood, and any other coverage deemed necessary by the Association.
- b. Liability Insurance. Comprehensive general liability insurance coverage covering all Common Areas, the 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 law suits related to

employment contracts of the Association. Such coverage shall include, if available, a cross liability endorsement to cover liabilities of the Owners as a group or as an Association to an individual Lot Owner.

- c. Director Liability Insurance. The Board may obtain liability insurance insuring each 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 Association.
- d. Workmen's Compensation; Other Coverage. Workmen's Compensation insurance if and to the extent necessary to meet the requirements of law, and such other insurance as the Board may determine or as may be requested from time to time by a majority of the Members.
- e. Lots. The Board has the right but not the obligation to obtain comprehensive insurance for all Lots, and each Owner by acceptance of a deed for his Lot is deemed to authorize the Board to act as his agent for the obtaining of insurance if the Board elects to obtain coverage for all Lots. If the Board does not so elect, each Owner shall obtain and maintain at his own expense fire insurance and insurance against the perils customarily covered by an extended coverage endorsement in an amount no less the full insurable value of the improvements, based upon replacement, and if an Owner fails to do so, the Board has the right but not the obligation to purchase such insurance for him and assess the cost to him as an individual Lot assessment. Owners are responsible for insuring against personal property damage and loss, personal liability for that Lot and any other type of insurance the Owner may desire.

Section 2. Premiums. The cost of all insurance stated above, except coverage of Lots, shall be an Association expense and shall be included in the assessments paid to the Association by the Owners. If the Board obtains comprehensive insurance for all Lots, each Lot's ratable share shall be assessed to the Owner of such Lot as part of the assessments paid to the Association by such Owner.

Section 3. Repair and Reconstruction after Casualty.

- a. Common Area. If fire or other casualty damages destroys any of the improvements on the Common Area, the Board of Directors shall arrange for and supervise the prompt repair and restoration of such improvements substantially in accordance with the plans and specifications under which the improvements were originally constructed. The Board of Directors shall obtain funds for such reconstruction first from the insurance proceeds, then from reserves for the repair and placement of such improvements, and

then from any special assessments that may be necessary after exhaustion of insurance and reserves.

- b. Lots. If fire or other casualty damages or destroys a house or any other improvement on a Lot, the Owner of that Lot shall immediately proceed to rebuild and restore the improvements to the condition existing prior to such damage, unless other plans are approved by the Association.
- c. Insurance Proceeds; Performance of Work. All insurance proceeds received by the Association shall be deposited in a financial institution with the provision agreed to by said band or institution that such funds may be withdrawn only by signature authorized by the Board of Directors or an agent authorized by the Board. The Board may advertise for sealed bids with licensed contractors and negotiate prices for said repairs.

ARTICLE XI. STORM WATER SYSTEM. The Association shall operate and maintain any storm water management system and any storm water discharge facility exempted or permitted by the Florida Department of Environmental Regulation or other state agency on the Common Area property of the Association, and shall have all powers necessary to establish rules and regulations, assess members, and contract for services for the maintenance and operation thereof.

ARTICLE XII. GENERAL PROVISIONS.

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservation, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The prevailing party in such litigation shall be entitled to all court costs and its reasonable attorneys fees.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgement or court order shall in no way affect any other provisions which shall remain in full force and effect.

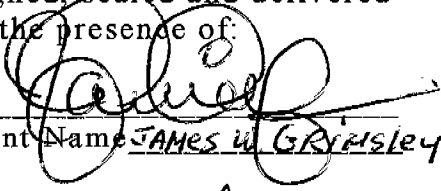
Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration maybe amended during the first twenty (20) year period by an instrument signed by not less than ninety (90) percent of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

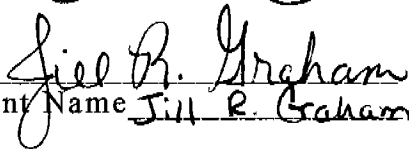
IN WITNESS WHEREOF, The undersigned, being the Declarant herein, has hereunto set its hand and seal this 15th day of SEPT, 1998

Signed, sealed and delivered

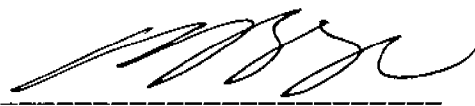
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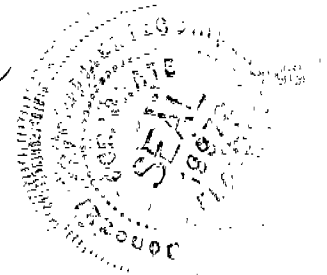

Print Name JAMES W. GRIMSLEY

Bonezzi Development Company
A Florida Corporation


Print Name Jill R. Graham

By:

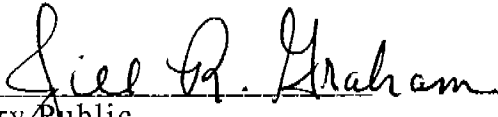

Robert A. Bonezzi
As its President



State of Florida
County of Okaloosa

The foregoing instrument was acknowledged before me this 15th day of September, 1998, by Robert A. Bonezzi as President of Bonezzi Development Company, A Florida Corporation. He is personally known to me and did not take an oath.




Notary Public _____
(Print Name)

My Commission Expires:

THIS INSTRUMENT PREPARED BY:

JAMES W. GRIMSLEY
SMITH, GRIMSLEY, BAUMAN
PINKERTON, PETERMANN, SAXER & WELLS
A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS
P.O. Box 2379
25 Walter Martin Road
Fort Walton Beach, Florida 32549