THIS INSTRUMENT PREPARED BY:
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Inst: 20146612785 95 Date: 04/24/2014 Time: 1:25PM
Page 1 of 40 B: 2948 P: 1939 DC Alex Alford Walton, County

STATE OF FLORIDA:
COUNTY OF WALTON:

DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS

OF

PROMINENCE SUBDIVISION

THIS DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS (this "Declaration") is made this 18th day of April, 2014, by D.R. HORTON, INC., a Delaware corporation ("Declarant").

W I T N E S S E T H:

WHEREAS, Declarant recorded in Plat Book 18, Pages 87-88 of the Office of the Clerk of the Circuit Court of Walton County, Florida, a subdivision plat for Prominence – Phase 1 Subdivision (the "Phase 1 Plat") pertaining to certain real property owned by Declarant in Walton County, Florida, as more specifically described on the Plat of Subdivision.

NOW, THEREFORE, DECLARANT HEREBY DECLARES, that subject to the provisions hereof, all of the Lots (hereinafter defined) shall be held, sold and conveyed by the Owners and the Common Area (hereinafter defined) shall be held by the Association subject to the restrictions, covenants and conditions contained herein for the purposes of protecting the value and desirability of, and which shall run with, the Community Property (hereinafter defined) and be binding on all parties having any right, title or interest in the Community Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner of any portion thereof.

ARTICLE ONE
GENERAL PROVISIONS

1.01 Restrictive Covenants and Easements Running with the Land. The use of the Community Property shall be in accordance with the provisions and restrictions of this

Declaration, all of which are to be construed as restrictive covenants and/or easements, as applicable, running with the land and with the title to each and every Lot and shall be binding upon all Owners and other persons having interests therein and upon their heirs, personal representatives, successors, grantees and assigns.

1.02 Terminology. Whenever the context requires, words used in the singular shall be construed to mean or to include the plural and vice versa, and pronouns of any gender shall be deemed to include and to designate the masculine, feminine or neuter gender.

1.03 Definitions. The following terms, when capitalized herein, shall have the meaning set forth in this Section 1.03:

(a) "Additional Property" shall mean and refer to that certain real property described on Exhibit "A" attached hereto.

(b) "Adult" shall mean a person of age twenty-one (21) or older.

(c) "Architectural Review Committee" shall refer to and mean the Architectural Review Committee as established by the Board of Directors in accordance with the Bylaws.

(d) "Articles of Incorporation" shall mean the Articles of Incorporation of Prominence Property Owners Association, Inc., a Florida non-profit corporation, as filed in the records of the Florida Department of State, Division of Corporations, as the same may hereafter be amended, altered or repealed from time to time.

(e) "Association" shall mean Prominence Property Owners Association, Inc., a Florida non-profit corporation.

(f) "Attached Home" shall mean a Townhome or a Cluster Building Home, as applicable.

(g) "Attached Home Lots" shall mean a Townhome Lot or a Cluster Building Lot, as applicable.

(h) "Board" or "Board of Directors" shall refer to the Board of Directors of the Association, established in accordance with the Articles of Incorporation and Bylaws of the Association.

(i) "Builder" means any commercial home builder or contractor who is in the business of constructing residential structures to sell to owner-occupants.

(j) "Bylaws" shall mean the Bylaws of the Association, as the same may hereafter be amended, altered or repealed from time to time.

(k) "Cluster Building" shall mean and refer to any group of three (3) single family dwelling units that are attached to one another and generally constructed in a configuration as depicted on Exhibit "B" attached hereto and which are situated upon Cluster Building Lots.

(l) "Cluster Building Expense" shall mean and refer to (i) any expense of the Association incurred in connection with (1) repairing and maintaining any Party Roof, Party Wall, and/or Common Path (hereinafter defined) serving a Cluster Building, (2) repairing and maintaining the exterior of a Cluster Building, and (3) insuring the Cluster Buildings in accordance with Article Twelve hereof, and (ii) any other expense denominated hereunder as a Cluster Building Expense.

(m) "Cluster Building Home" shall mean and refer to any single family dwelling unit that is attached to two (2) other single family dwelling units generally constructed in a configuration as depicted on Exhibit "B" attached hereto and which is situated upon a Cluster Building Lot.

(n) "Cluster Building Lot" shall mean a Lot on which a portion of a Cluster Building is constructed or capable of being constructed.

(o) "Common Area" shall mean all real property within the Subdivision which is owned or leased by the Association or dedicated for use or maintenance by the Association or its members, regardless of whether title has been conveyed to the Association.

(p) "Common Expense" shall mean and refer to any and all expenses of the Association (i) associated with the ownership, maintenance, repair and/or replacement (as applicable) of the HOA Property; (ii) in obtaining and maintaining any and all insurance required or otherwise permitted in accordance with Section 12.01 hereof; and (iii) otherwise denominated hereunder as a Common Expense.

(q) "Common Property" shall mean and refer to any and all personal property or fixtures owned by the Association, whether now owned or hereafter acquired, and/or held and operated by the Association for the benefit of the Owners, and shall include, without limitation, the Stormwater Management System.

(r) "Community Property" shall mean all of the Lots and the Cómmon Area, collectively.

(s) "Declarant" shall mean D.R. Horton, Inc., a Delaware corporation, its successors and assigns which expressly are assigned and assume the Declarant's rights as "Declarant" hereunder.

(t) "Detached Expense" shall mean and refer to any and all expenses of the Association (i) associated with performance of the Landscaping Work in

accordance with the terms and conditions hereof; and (ii) otherwise denominated hereunder as a Detached Expense.

(u) "Detached Home" shall mean and refer to any single family dwelling unit that is not attached to any other dwelling unit and which is situated upon a Lot.

(v) "Detached Lot" or "Detached Lots" shall mean and refer to Lots 24 through 48 as shown on the Phase 1 Plat and each and every other Lot hereafter added to this Declaration on which a Detached Home has been or could be constructed.

(w) "Exemption Period" shall mean that period of time commencing on the date hereof and continuing until the first to occur (i) Declarant's execution and recording in the real property records of Walton County, Florida of a written waiver of the exemption from assessments set forth in Section 4.16 hereof, or (ii) Turnover.

(x) "HOA Property" shall mean and refer to the Common Area and the Common Property, collectively.

(y) "Home" shall mean a Detached Home or an Attached Home, as applicable.

(z) "Landscaping Work" shall mean and refer to all landscape installation, maintenance, repair and/or replacement, as applicable, performed by the Association upon any and all Lots (regardless of type).

(aa) "Lot" shall mean and refer to each and every numbered lot shown on the Plat of Subdivision.

(bb) "Member" shall mean and refer to every person or entity who is a member of the Association.

(cc) "Mortgagee" shall mean a holder or beneficiary of any mortgage, deed with vendor's lien reserved, or any other form of instrument used for the purpose of encumbering or conveying real property as security for payment or satisfaction of any obligation.

(dd) "NWFWMD" shall mean and refer to the Northwest Florida Water Management District, and any successor thereto, that holds the legal authority to regulate the collection and distribution of storm water upon the Subdivision.

(ee) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding mortgagees, lien holders, lessees, tenants, and those having such interests solely as security for the performance of an obligation.

(ff) "Party Roof" shall mean a common roof system for any Attached Home sharing a Party Wall(s).

(gg) "Party Wall" shall mean a common wall separating any Attached Homes located on two (2) or more separate Lots that is constructed, improved, maintained, repaired and replaced on the boundary line between said two (2) or more Lots.

(hh) "Person" means any individual, corporation, trust, partnership, joint venture, limited liability company or other entity.

(ii) "Plat of Subdivision" shall mean collectively the Phase 1 Plat and any additional plat or plats of real property that are hereafter recorded where such real property is annexed to this Declaration in accordance with the terms of Section 10.02 hereof.

(jj) "PUD Ordinance" shall mean Ordinance Number 2013-20 of the Board of County Commissioners of Walton County, Florida dated November 7, 2013, and recorded in Official Records Book 2940, Page 147 of the public records of Walton County, Florida.

(kk) "Stormwater Management System" shall mean 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 Chapter 62-330, F.A.C. and which is located in the Subdivision.

(ll) "Subdivision" shall mean Prominence, a subdivision as shown on the Plat of Subdivision.

(mm) "Townhome" shall mean and refer to any single family dwelling unit that is attached to another dwelling unit and which is situated upon a Townhome Lot; provided, however, that in no event shall such term include any Cluster Building Home.

(nn) "Townhome Expense" shall mean and refer to (i) any expense of the Association incurred in connection with (1) repairing and maintaining any Party Roof or Party Wall serving a Townhome, (2) repairing and maintaining the exterior of a Townhome, and (3) insuring the Townhomes in accordance with Article Twelve hereof, and (ii) any other expense denominated hereunder as a Townhome Expense.

(oo) "Townhome Lot" or "Townhome Lots" shall mean and refer to Lots 1 through 23 as shown on the Phase 1 Plat and each and every other Lot hereafter added to this Declaration on which a Townhome has been or could be constructed.

(pp) "Turnover" shall mean the earlier to occur of (i) Declarant relinquishes control of the Association in a written instrument recorded in the real property records of Walton County, Florida, or (ii) any event described in Florida Statutes, Section 720.307(1); provided however, in the event of a conflict between the Florida Statutes and the foregoing, the applicable Florida Statute shall control.

1.04 Purposes. It is intended that the Subdivision development will be a residential community of high esteem and quality Homes.

ARTICLE TWO
HOA PROPERTY

2.01 HOA Property. The Association, subject to the rights of the Owners set forth in this Declaration, the Articles of Incorporation and the Bylaws, shall be responsible for the exclusive maintenance, management, and control of the HOA Property (including all improvements constructed on the Common Area), and shall keep the HOA Property in good, clean, attractive, and sanitary condition, order, and repair pursuant to the terms and conditions of this Declaration. Buildings and improvements of a permanent nature erected or placed on the Common Area and any activities that alter the nature of the Common Area shall require the prior approval of the Members. The Association has the right to restrict the use and govern the operation of the HOA Property by promulgating reasonable rules and regulations, including with respect to any HOA Property, the right to charge reasonable one-time or monthly fees for the use thereof by the Owners as the Association deems necessary or appropriate. Rules and regulations may be established by the Association to regulate the use of the HOA Property. The necessary work or maintenance, repair and replacement of the HOA Property and the making of any additions or improvements thereto shall be carried out only as provided in this Declaration, the Articles of Incorporation and the Bylaws.

2.02 Right of Enjoyment. Subject to any rules and regulations promulgated by the Board of Directors, every Member shall have a right and easement of enjoyment of the Common Area, and such easement shall be appurtenant to and pass with the title to each Lot.

2.03 Restrictive Covenant on Common Area. A restrictive covenant is hereby imposed on the Common Area such that no part of the Common Area may be developed for residential or commercial purposes; provided, however, that the Declarant and/or the Association shall have the right, but not the obligation, to construct and install amenities on the Common Area that are for the use and enjoyment of the Members, subject to the terms and conditions hereof and any rules and regulations adopted by the Association. This restrictive covenant shall run with each Lot and shall exist for the benefit of the Owners and be binding upon, their successors and assigns.

2.04 Lots Subject to Covenants, Restrictions, Limitations and Term. Each Lot that shall be conveyed, held, devised, leased, or demised at any time hereafter shall be subject to all the terms, conditions, covenants, restrictions, and limitations herein contained, and the obligation

to observe and perform the same whether or not it be so expressed in the deed or other instrument of conveyance of the Lot or property, and such shall run with the Lot or real property and be appurtenant thereto as if fully set out in such deed or instrument of conveyance, subject to the terms and conditions hereof.

2.05 Easements.

(a) Access Easement. An easement for vehicular and pedestrian access is hereby reserved over and across all private roadways in the Subdivision for the benefit of the Association, all Owners, and all tenants and guests of all Owners (the "Access Easement"). The Association shall have the right to promulgate rules and regulations for the use of the Access Easement. The maintenance and repair of the road surface that constitutes the Access Easement shall be performed by the Association and shall be a Common Expense.

(b) Easements and Buffer Strips. All easements and buffer strips shown on the Plat of Subdivision, if any, are hereby adopted as part of this Declaration and all Lots in the Subdivision shall be subject to such easements and buffer strips.

(c) Structures. No dwelling unit, Home, and/or other structure of any kind shall be built, erected, or maintained upon any easement, and said easements shall at all times be open and accessible to public and quasi-public utility corporations, and to other persons erecting, constructing, or servicing such utilities, and to the Association, its successors or assigns, all of whom shall have the right of ingress and egress thereto and therefrom, and the right and privilege of doing whatever may be necessary in, under, and upon said locations for the carrying out of any of the purposes for which said easements are hereby reserved and may hereafter be reserved.

(d) Overhead Wires. No Lot shall be served with any overhead electrical or communications service, and no Owner shall erect power poles for such service; provided, however, that nothing herein shall be construed to prohibit overhead street lighting or ornamental yard lighting provided that such lighting is constructed in accordance with the terms and conditions hereof.

(e) Easement for Landscaping Work. An easement is hereby reserved over each and every Lot to permit the Association to perform the Landscaping Work in accordance with the terms and conditions hereof.

2.06 Control of HOA Property. The Association may, upon approval the Members, sell, subdivide, lease, mortgage, grant easements over or otherwise encumber the HOA Property, or exchange all or any portion of the HOA Property for Lots or other real or personal property, or purchase or acquire any additional real or personal property and dedicate the same as HOA Property subject to the terms of this Declaration.

2.07 Condemnation. In the event of a taking by eminent domain of any portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements so taken on the remaining Common Area, unless within sixty (60) days after such taking, an alternative plan is approved by at least seventy-five percent (75%) of the voting interests of the Members. The provisions of this Declaration applicable to replacement or restoration of damaged improvements on the Common Area shall also apply to and govern the actions to be taken in the event that the improvements are not restored or replaced after a condemnation.

2.08 Liability. Owners, occupants and their guests shall use and enjoy the Common Area at their own risk and shall assume sole responsibility for their personal belongings used or stored there. The Association, the Declarant and their respective officers, directors, employees, representatives and agents shall not be held liable for personal injury to any person, nor for loss or damage to personal belongings used or stored on any of the foregoing property. The Association shall not be liable for injury or damage to any person or property (a) caused by the elements or by an Owner or any other person, (b) resulting from any rain or other surface water which may leak or flow from any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, or (c) caused by any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner or occupant for loss or damage, by theft or otherwise, of any property of such Owner or occupant.

ARTICLE THREE
ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

3.01 The Association. The operation and administration of the HOA Property shall be handled by the Association. The Association shall have exclusive authority and power to maintain a class action and to settle a cause of action on behalf of Owners with reference to the HOA Property and with reference to any and all other matters in which all of the Owners have a common interest. The Association shall have all the powers and duties set forth in the Articles of Incorporation and the Bylaws. The Association shall have a reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the HOA Property and further, shall have the right to grant permits, licenses, and easements over the HOA Property for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the HOA Property. The Board of Directors shall have the authority and duty to levy and enforce the collection of general and specific assessments for common expenses and is further authorized to provide adequate remedies for failure to pay such assessments.

3.02 Membership. Each Owner shall be a Member, subject to the terms and conditions of the Articles of Incorporation and the Bylaws.

3.03 Voting. Voting by Owners shall be in accordance with the Bylaws.

3.04 Assignment. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance of said Owner's Lot.

3.05 Reserve Fund – HOA Property. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the HOA Property and for such other purposes as may be set forth herein or otherwise permitted or required by applicable law (the "HOA Property Reserve Account"). The HOA Property Reserve Account shall be maintained out of regular assessments for Common Expenses.

3.06 Reserve Fund – Townhomes. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the Party Walls and the Party Roofs of the Townhomes in accordance with the terms and conditions hereof and any insurance required for the Townhomes by Article Twelve hereof (the "Townhome Reserve Account"). The Townhome Reserve Account shall be maintained out of regular assessments for Townhome Expenses.

3.06 Reserve Fund – Cluster Buildings. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the Party Walls, Party Roofs and Common Paths of the Cluster Buildings in accordance with the terms and conditions hereof and any insurance required for the Cluster Buildings by Article Twelve hereof (the "Cluster Building Reserve Account"). The Cluster Building Reserve Account shall be maintained out of regular assessments for Cluster Building Expenses.

3.07 Reserve Fund – Detached Homes. The Association shall have the right, but not the obligation, to establish and maintain an adequate reserve fund for the Landscaping Work to be performed upon the Detached Lots in accordance with the terms and conditions hereof (the "Detached Reserve Account"). The Detached Reserve Account shall be maintained out of regular assessments for Detached Expenses.

ARTICLE FOUR
COVENANT FOR MAINTENANCE ASSESSMENTS

4.01 Creation of the Lien and Personal Obligation of Assessments. Declarant, for each Lot, 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: (a) annual assessments or charges for the Common Expenses, (b) special assessments for capital improvements to the HOA Property, (c) annual assessments or charges for Townhome Expenses, but only with respect to the Townhome Lots, (d) special assessments for Townhome Expenses, but only with respect to the Townhome Lots, (e) annual assessments or charges for Cluster Building Expenses, but only with respect to the Cluster Building Lots, (f) special assessments for Cluster Building Expenses, but only with respect to the Cluster Building Lots, (g) annual assessments or charges for the Detached Expenses, and (h) the lien for assessments for capital improvements to the HOA Property by any governmental entity

("Governmental Assessments"), as such assessments are hereinafter established and shall be collected as hereinafter provided. The annual, special, and Governmental Assessments, together with interest, costs, an administrative late fee not to exceed the greater of Twenty-Five and No/100 Dollars ($25.00) or five percent (5%) of the amount of each installment that is paid past the due date, and reasonable attorneys' fees, shall be a charge on the Lot and shall be a continuing lien upon the property against which each such assessment is made. Any payment received and accepted by the Association shall be applied first to any interest accrued, then to any administrative late fee, then to any costs and reasonable attorney's fees, and then to the delinquent assessments. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall pass to successors in title.

4.02 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to provide for (a) the management, care and maintenance of the HOA Property and any improvements constructed thereon, including provision for appropriate insurance against casualty and liability, (b) the payment of Common Expenses in accordance with the terms and conditions hereof, (c) the payment of Townhome Expenses in accordance with the terms and conditions hereof, (d) the payment of Cluster Building Expenses in accordance with the terms and conditions hereof, and (e) the payment of Detached Expenses in accordance with the terms and conditions hereof. The Association shall have the obligation to maintain the HOA Property (including, without limiting the generality of the foregoing, any and all easements, drainage facilities, landscaping, structures, holding and retention ponds, and the like, whether denominated as such or otherwise) and shall pay all ad valorem property taxes assessed upon them. The Association may fund in the HOA Property Reserve Account such sums as it determines in good faith are necessary and adequate to make periodic repairs and improvements to any part of the HOA Property. The Association may fund in the Townhome Reserve Account such sums as it determines in good faith are necessary and adequate to make periodic repairs and improvements to any Party Wall or Party Roof serving one or more Townhomes. The Association may fund in the Cluster Building Reserve Account such sums as it determines in good faith are necessary and adequate to make periodic repairs and improvements to any Party Wall, Party Roof or Common Path serving one or more Cluster Buildings. The Association may fund in the Detached Reserve Account such sums as it determines in good faith are necessary and adequate to enable the Association to perform the Landscaping Work in accordance with the terms and conditions hereof.

4.03 Annual Assessments for Common Expenses. To provide the total sum necessary for the insurance required by Section 12.01 hereunder, the HOA Property Reserve Account, and improvements within the Subdivision, each Member for each Lot owned shall pay a portion of the total amount necessary for such purposes to the Association. The portion to be paid by each Member for each Lot owned shall be equal to a fraction, the numerator of which shall be the number of Lots owned by such Member and the denominator of which shall be the total number of Lots in the Subdivision, and which the quotient of such fraction shall be multiplied by the total sum necessary for such purposes. The amount of assessment assessed against each Member as provided under the foregoing sentence shall be assessed by the Association as a lien at the

beginning of each annual assessment period. The total number of Lots in the Subdivision may be increased from time-to-time by the Declarant in accordance with the terms of this Declaration.

4.04 Special Assessments for Capital Improvements Upon HOA Property. In addition to the annual assessments authorized above, the Board of Directors 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 HOA Property and any entrance wall or signage, including fixtures and personal property related thereto; provided, however, that any such special assessment(s) must be approved by the affirmative vote of the Members holding a majority of the voting rights in the Association. Notwithstanding the foregoing, before Turnover, the Board of Directors may not levy a special assessment unless a majority of Members, other than the Declarant, has approved the special assessment at a duly called special meeting.

4.05 Annual Assessments for Townhome Expenses. To provide the total sum necessary for the Townhome Expenses and any amounts necessary to fund the Townhome Reserve Account, each Owner of a Townhome Lot for each Townhome Lot so owned shall pay a portion of the total amount necessary for such purposes to the Association. The portion to be paid by each Owner of a Townhome Lot for each Townhome Lot owned shall be equal to a fraction, the numerator of which shall be the number of Townhome Lots owned by such Owner and the denominator of which shall be the total number of Townhome Lots in the Subdivision, and which the quotient of such fraction shall be multiplied by the total sum necessary for such purposes. The amount of assessment assessed against each Owner of a Townhome Lot for Townhome Expenses as provided under the foregoing sentence shall be assessed by the Association as a lien at the beginning of each annual assessment period. The total number of Townhome Lots in the Subdivision may be increased from time-to-time by the Declarant in accordance with the terms of this Declaration.

4.06 Special Assessments for Townhome Expenses. In addition to the annual assessments authorized above, the Board of Directors 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 Townhome Expenses that are not otherwise adequately accounted for by the annual assessments contemplated by Section 4.05 hereof; provided, however, any such special assessment(s) must be approved by the affirmative vote of a majority of the Owners of the Townhome Lots.

4.07 Annual Assessments for Cluster Building Expenses. To provide the total sum necessary for the Cluster Building Expenses and any amounts necessary to fund the Cluster Building Reserve Account, each Owner of a Cluster Building Lot for each Cluster Building Lot so owned shall pay a portion of the total amount necessary for such purposes to the Association. The portion to be paid by each Owner of a Cluster Building Lot for each Cluster Building Lot owned shall be equal to a fraction, the numerator of which shall be the number of Cluster Building Lots owned by such Owner and the denominator of which shall be the total number of Cluster Building Lots in the Subdivision, and which the quotient of such fraction shall be multiplied by the total sum necessary for such purposes. The amount of assessment assessed against each Owner of a Cluster Building Lot for Cluster Building Expenses as provided under

the foregoing sentence shall be assessed by the Association as a lien at the beginning of each annual assessment period. The total number of Cluster Building Lots in the Subdivision may be increased from time-to-time by the Declarant in accordance with the terms of this Declaration.

4.08 Special Assessments for Cluster Building Expenses. In addition to the annual assessments authorized above, the Board of Directors 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 Cluster Building Expenses that are not otherwise adequately accounted for by the annual assessments contemplated by Section 4.07 hereof; provided, however, any such special assessment(s) must be approved by the affirmative vote of a majority of the Owners of the Cluster Building Lots.

4.09 Annual Assessments for Detached Expenses. To provide the total sum necessary for the Detached Expenses and any amounts necessary to fund the Detached Reserve Account, each Owner of a Detached Lot for each Detached Lot so owned shall pay a portion of the total amount necessary for such purposes to the Association. The portion to be paid by each Owner of a Detached Lot for each Detached Lot owned shall be equal to a fraction, the numerator of which shall be the number of Detached Lots owned by such Owner and the denominator of which shall be the total number of Detached Lots in the Subdivision, and which the quotient of such fraction shall be multiplied by the total sum necessary for such purposes. The amount of assessment assessed against each Owner of a Detached Lot for Detached Expenses as provided under the foregoing sentence shall be assessed by the Association as a lien at the beginning of each annual assessment period. The total number of Detached Lots in the Subdivision may be increased from time-to-time by the Declarant in accordance with the terms of this Declaration.

4.10 Special Assessments for Detached Expenses. In addition to the annual assessments authorized above, the Board of Directors 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 Detached Expenses that are not otherwise adequately accounted for by the annual assessments contemplated by Section 4.09 hereof; provided, however, any such special assessment(s) must be approved by the affirmative vote of a majority of the Owners of the Detached Lots.

4.11 Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence as to a particular Lot upon conveyance of the Lot to any Owner who is not Declarant or a Builder. 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, and one-fourth ($1/4^{th}$) of any annual maintenance or other special assessment shall be due each calendar quarter.

4.12 Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest thereon at a rate to be set by the Board of Directors but in no event greater than the maximum percentage rate as

may then be permitted under the laws of the State of Florida. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same, foreclose a lien against the property or seek injunctive relief. Interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Each such Owner, by his acceptance of a deed to or other conveyance of an interest in a Lot, hereby expressly vests in the Association the right and power to bring all actions against such Owner personally for the collection of each charge as a debt and to foreclose the aforesaid lien by all methods available for the enforcement of such liens, including foreclosures by an action brought in the name of the Association in a like manner as a mortgage lien on real property. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all Owners. The Association, acting on behalf of the Owners, shall have the power to bid for an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the HOA Property or abandonment of said Owner's Lot. The Board of Directors may also suspend the use rights of any Owner of the HOA Property in the event of a failure to pay any assessment within thirty (30) days of the applicable due date. Prior to such suspension, any Owners will be given 14 days' notice of the suspension and an opportunity for hearing, if required, pursuant to Florida law.

4.13 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein, except for any Governmental Assessment, shall be subordinate to the lien of any first mortgage on a Lot. Sale or transfer of any Lot shall not effect the assessment lien; provided, however, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage on said Lot 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, except any Governmental Assessment. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof or relieve the prior Owner from any personal liability for any unpaid assessments occurring prior to said sale or transfer.

4.14 Estoppel Letter. The Association shall, within ten (10) days after receiving a written request therefor and for a reasonable charge, as established by the Board of Directors, certify to the amount of any unpaid assessments constituting a lien on a specified Lot. A certification letter signed by an officer of the Association or the Association's managing agent, if any, as to the amount of assessments due with respect to a Lot shall be binding upon the Association.

4.15 Working Capital Contribution. In addition to annual and special assessments levied hereunder, the first Owner acquiring title to a Lot from Declarant and all subsequent Owners of each Lot upon acquisition of such Lot shall pay to the Association at their closing on their Lot a contribution to the Association's working capital an amount equal to three (3) months of assessments for Common Expenses, Cluster Building Expenses, Townhome Expenses and Detached Expenses, as applicable, then being levied by the Association against such Lot. This working capital contribution may be used by the Association for any purpose not expressly prohibited by applicable law.

4.16 Declarant Exemption; Assessments During Declarant Control. Notwithstanding anything contained herein to the contrary, all Lots owned by Declarant shall be exempt from assessments of any type by the Association until the expiration of the Exemption Period; provided, however, that Declarant, until the expiration of the Exemption Period, shall be responsible for and shall pay any and all operating expenses of the Association that exceed the amount of assessments receivable hereunder from the other Members and other income sources (if any) of the Association. For the initial partial calendar year of the operation of the Association, (a) assessments for Common Expenses against Members other than Declarant shall not exceed One Thousand Two Hundred and No/100 Dollars ($1,200.00) on an annual basis (but pro-rated for such partial year); (b) assessments for Townhome Expenses against Members who are Owner of Townhome Lots other than Declarant shall not exceed Three Thousand Six Hundred and No/100 Dollars ($3,600.00) on an annual basis (but pro-rated for such partial year); (c) assessments for Cluster Building Expenses against Members who are Owners of Cluster Building Lots other than Declarant shall not exceed Two Thousand Four Hundred and No/100 Dollars ($2,400.00) on an annual basis (but pro-rated for such partial year); and (d) assessments for Detached Expenses against Members other than Declarant shall not exceed Six Hundred and No/100 Dollars ($600.00) on an annual basis (but pro-rated for such partial year). For the first full calendar year of operation of the Association, and for each full calendar year thereafter until the expiration of the Exemption Period, each of the foregoing assessment amounts may be increased by the Association by an amount not to exceed ten percent (10%) of the applicable assessment amount for the immediately preceding calendar year. Upon the expiration of the Exemption Period, the foregoing limitations upon increases in assessments shall terminate and be of no further force or effect.

ARTICLE FIVE
MAINTENANCE AND REPAIR

5.01 Maintenance of Common Areas. The Association shall provide maintenance of the Common Area. In addition, the Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without the Subdivision and to enter into easement and covenant to share costs agreements regarding such property where the Board has determined that such action would benefit the Owners.

5.02 Stormwater Management System. The Association shall be responsible for the maintenance, operation and repair of the Stormwater Management System. Maintenance of the Stormwater Management System(s) shall mean the exercise of practices which allow the Stormwater Management System(s) to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the NWFWMD. The Association shall be responsible for such maintenance and operation, and all costs and expenses of the Association associated therewith shall be a Common Expense. Any repair or reconstruction of the Stormwater Management System shall be as permitted, or if modified, as approved by, the NWFWMD.

5.03 Maintenance of Detached Lots and Detached Homes. Each Owner of a Detached Lot shall maintain his or her respective Lot and shall also maintain and repair, at such Owner's

sole cost and expense, said Owner's Detached Home and patio area, keeping the same in good condition and making all structural repairs and maintenance, external and internal, as may be required from time to time, including, but not limited to maintenance and repairs of any enclosed patio area, screens and screen doors, exterior door and window fixtures, glass, and other hardware. Each Owner of a Detached Lot shall also be responsible for the maintenance and repair of any fence or fences erected on such Owner's Detached Lot and gates appurtenant thereto.

5.04 Failure to Maintain. In the event an Owner of a Detached Lot shall fail to maintain and repair his Detached Lot and the improvements situated thereon, as provided for herein and provided that the failure to so maintain shall cause damage or injury to the adjoining Lot or to common structural elements which affect an adjoining Lot, the Association, after approval by a majority vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Detached Lot and to repair, maintain, and restore the Detached Lot and the Detached Home and any other improvements erected thereon. The cost of the same shall be added to and become part of the assessment to which such Detached Lot is subject; provided, however, if a dispute arises concerning the foregoing between the Owner of such Detached Lot and the Association, the matter may be submitted to arbitration in accordance with the mutual agreement of the parties.

5.05 Damage to HOA Property. Notwithstanding anything contained in this Article Five to the contrary, each Owner shall be personally responsible and personally liable for any damage to the HOA Property, or any portion thereof, caused by the Owner and/or the Owner's family members, guests, invitees, lessees or licensees as a consequence of the negligence, recklessness or willful misconduct of such person. The cost of repair for any damage so caused by the Owner, the Owner's family members, guests, invitees, lessees or licensees shall be a special assessment against the Owner responsible therefor and the Lot of such Owner.

5.06 Landscaping Work.

(a) Subject to the remaining terms of this Section, the Association shall perform the Landscaping Work. Whether to make certain plantings and when and how to maintain all such landscaping shall be in the sole and absolute discretion of the Association. Any Landscaping Work performed on a Detached Lot shall be a Detached Expense, any Landscaping Work performed on a Townhome Lot shall be a Townhome Expense, and any Landscaping Work performed on a Cluster Building Lot shall be a Cluster Building Expense.

(b) Notwithstanding clause (a) of this Section, nothing in this Declaration shall be construed to prohibit any Owner from implementing "Florida-friendly landscaping", as defined under Florida law, on his or her Lot or create any requirement or limitation in conflict with Chapter 373 of the Florida Statutes ("Owner Landscaping"). In the event an Owner desires to install any Owner Landscaping, Owner shall first submit a landscaping plan to the Architectural Review Committee detailing Owner's plans therefor (a "Landscaping Plan"). Every Landscaping Plan shall include, without limitation, a list of all plantings

and any other improvements proposed by the Owner, the locations within the Owner's Lot where the Owner proposes to make such plantings and other improvements, and such additional information as shall be reasonably necessary to demonstrate that such plantings constitute Florida-friendly landscaping and that such plantings will comply with the terms and conditions of this Declaration and the PUD Ordinance. Owner shall install, maintain, repair and replace, as applicable, all Owner Landscaping strictly in accordance with a Landscaping Plan approved by the Architectural Review Committee. In the event an Owner thereafter desires to cease maintaining the landscaping on such Owner's Lot, the Owner can return control of all landscaping to the Association for the Association to perform in accordance with subparagraph (a) of this Section by delivering written notice thereof to the Association. Notwithstanding anything contained in this subparagraph to the contrary, no election by an Owner to self-perform the landscaping on such Owner's Lot shall in any way exempt such Owner from any assessment(s) associated with the Landscaping Work.

ARTICLE SIX
ARCHITECTURAL CONTROL

6.01 Submission of Plans and Specifications. No Home, building, fence, wall, or other structure or improvement shall be constructed, erected, or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications of the same shall have been submitted by an Owner to and approved in writing as in harmony with this Declaration by the Architectural Review Committee. Two (2) copies of the building or construction plans and specifications (collectively, the "Plans") shall be submitted to the Architectural Review Committee. Prior to commencement of any construction activities on a Lot, an Owner's Plans must be approved by the Architectural Review Committee as to conformity and harmony with this Declaration. The Architectural Review Committee may, from time to time, establish additional written design guidelines for the Subdivision, and a copy of any such guidelines then in effect shall be made available to any Member requesting a copy of same from the Association.

6.02 Approval or Disapproval. The Architectural Review Committee shall indicate its approval or disapproval of such plans and specifications by delivering, in writing, notice of such approval or disapproval to the requesting Owner. In the event the Architectural Review 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 shall be deemed automatically given.

6.03 Right of Inspection. The Architectural Review Committee shall have the right, but not the obligation, to inspect the Owner's Lot and improvements during construction and prior to occupancy to insure construction in accordance with the construction plans submitted and approved by the Architectural Review Committee. Failure of an Owner to comply with the provisions of this Section 6.03, or failure of an Owner to carry out construction in accordance with the provisions of this Article, shall subject such Owner to such remedies as might be

available at law or in equity (including, but not limited to, specific performance and injunction, payment of the prosecuting parties' reasonable legal fees and expenses).

6.04 Limited Review. The scope of review by the Architectural Review Committee is limited to appearance only and does not include any responsibility for structural soundness, suitability of construction or materials, compliance with building or zoning codes or standards, this Declaration, or any other similar or dissimilar factors.

6.05 Waiver of Liability. Neither the Architectural Review Committee nor any architect nor agent thereof nor the Association nor any agent or employee of any of the foregoing shall be responsible in any way for the failure of any improvements to comply with the requirements of this Declaration, nor for any defects in any plans and specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications, and all persons relying thereon or benefiting therefrom agree not to sue or claim against the entities and persons referred to in this Section for any cause arising out of the matters referred to herein and further agree to and do hereby release said entities and persons for any and every such cause.

ARTICLE SEVEN
USE RESTRICTIONS

7.01 Residential Use. Each Lot is hereby restricted to a private, single-family dwelling for residential use.

7.02 Subdivision of Lots. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions, and provisions hereof, to easements and rights-of-way, and matters of public record. No Lot may be subdivided into a smaller Lot or Lots unless approved by the Association; provided, however, that an entire Lot may be combined with an entire adjacent Lot and occupied as one Lot but assessed and governed as two Lots.

7.03 Signs. No sign of any kind shall be displayed on any Lot, except (i) that any Owner actively attempting to sell his Lot may place a "for sale" sign of less than four (4) square feet on his Lot; (ii) during the building of homes in the Subdivision, the Declarant and/or the Builders in the Subdivision may place signs at the entrance and/or on any Lot to advertise the Subdivision and the Lots for sale therein; and (iii) any Owner may display a sign of reasonable size provided by a contractor for security services within 10 feet of any entrance to the home.

7.04 Noxious and Offensive Activity. No noxious or offensive activity shall be carried on, in or upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to any other Owner.

7.05 Design Criteria; Structure. All improvements to be constructed or otherwise located on a Lot by an Owner shall comply with the following requirements:

(a) Any Detached Home shall contain a minimum of two thousand (2,000) square feet of heated and cooled living space.

(b) Any Townhome shall contain a minimum of two thousand eight hundred (2,800) square feet of heated and cooled living space.

(c) Any Cluster Building Home shall contain a minimum of one thousand one hundred fifty (1,150) square feet of heated and cooled living space.

(d) No Home may exceed three (3) habitable stories above grade.

(e) All sidewalks shall be constructed along the street right-of-way of each Lot in accordance with a uniform plan established by the Declarant. Accordingly, each site Plan submitted to the Architectural Review Committee shall show the location and material to be used for construction of the sidewalk, all as required and approved by the Architectural Review Committee. Each Owner shall construct or cause to be constructed on his or her Lot the approved sidewalk upon completion of the Home on his or her Lot and before occupancy thereof.

(f) The residential structure may contain a garage; provided however, that no garage may have a flat roof and any such garage shall be in conformity with the general architecture of the primary residential building or structure. Carports shall not be permitted.

(g) Air-conditioning and heating units, blowers, towers, condensers or structures related thereto, when erected between the side of any building or structure and the side Lot line of the Lot on which said building or structure is located, shall be enclosed in conformity with the general architecture of the primary residential building or structure, or shielded by shrubbery. No window air-conditioning units shall be permitted on the front or sides of any residence so as to be visible from the front line of such Lot.

(h) Underground electrical distribution facilities are required and no overhead electrical or similar wiring or lines shall be permitted.

(i) All outside radio and T.V. antennas (including satellite dishes and other signal receiving/transmitting equipment) shall be installed in such a way as not to be visible from the front of the Lot and shall be placed on the back side of any roof.

(j) No plumbing or heating vent shall be placed on the front side of any roof. All vents protruding from roofs shall be painted the same color as the roof covering.

(k) Driveways must be constructed of pavers approved by the Architectural Review Committee; provided, however, that the Architectural Review Committee shall have the right to approve an alternative surface; provided, further, however, in no event shall asphalt be a permitted driveway material.

(l) During construction, all vehicles, including those delivering supplies, must be parked on the building Lot where the construction is under way so as not to unnecessarily damage trees.

(m) All building debris must be removed from each Lot by the Owner thereof as often as necessary to keep the Home and Lot attractive. Such debris shall not be dumped in any area of the Subdivision.

(n) During construction, all Builders must keep Homes and garages clean.

(o) No walls or fences may be built or otherwise constructed on or around Attached Home Lots.

(p) Fences that are no more than four feet (4') in height may be constructed and erected on any Detached Lot; provided, however, that (i) the specific location of such fencing, and (ii) the type of fencing to be used, must be approved by the Architectural Review Committee in writing prior to the construction and/or installation of any such fencing.

(q) No outside clothes lines shall be permitted.

(r) Existing drainage shall not be altered in any manner, and specifically shall not be altered in such a manner as to divert the flow of water onto an adjacent Lot.

(s) Any roof constructed over any structure on any Lot must be covered with dimensional shingles or such other types of roof coverings of a higher grade and quality than dimensional shingles as are approved by the Architectural Review Committee from time to time; provided, however, that in the case of any repair and/or replacement of a roof of a then existing structure, the Owner must use the original roofing materials in performing such repair and/or replacement absent a written waiver from the Architectural Review Committee.

(t) Vinyl shall not be permitted as a siding material on any residential structure constructed within the Subdivision.

7.06 Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot except that dogs, cats, and other household pets may be kept subject to the rules and regulations adopted by the Association, provided that they are not kept, bred, or maintained for any commercial purpose. Pets must be kept leashed and/or under control at all times.

7.07 Waste. No rubbish, trash, garbage, or other waste material shall be kept or permitted upon any Lot except in sanitary containers located in appropriate area, screened and concealed from view.

7.08 Miscellaneous. Except as otherwise provided for herein, (a) no patio cover or storage unit of any kind shall be erected, placed or set on any Attached Home Lot, (b) no storage unit of any kind shall be erected, placed or set on any Detached Lot, and (c) no patio cover of any kind shall be erected, placed or set on any Detached Lot unless such patio cover is attached to the Detached Home erected on the same Detached Lot and the architecture and character of such patio cover matches that of said Detached Home.

7.09 Temporary Structures. No structure of a temporary character, trailer, mobile home, motor home, modular building unit, basement, tent, shack, garage, barn, or other outbuilding shall be used at any time on the Lots as a residence, either temporarily or permanently.

7.10 Vehicles.

(a) No inoperative cars, trucks, trailers, boats, campers or other types of vehicles shall be allowed to remain either on or adjacent to any Lot for a period in excess of forty-eight (48) hours; provided, however, this provision shall not apply to any such vehicle being kept in an enclosed garage.

(b) No commercial trucks larger than a one-ton pickup shall be parked in the Subdivision, except those reasonably necessary to complete approved improvements and those parked temporarily for purposes of delivery of items to an Owner.

(c) Recreational vehicles, campers, and boats shall be parked in garages or stored out of view from the street.

(d) No permanent parking on streets is allowed except in designated parking spaces.

(e) There shall be no major repair performed on any motor vehicle on or adjacent to any Lot unless performed inside an enclosed garage.

(f) No noxiously loud or dangerous vehicles shall be allowed to be operated on any Lot.

7.11 Construction.

(a) When the construction of any improvement upon any Lot has begun, work thereon shall be pursued diligently and continuously until full completion. During construction on any Lot, all vehicles involved in such construction, including those delivering materials and supplies, shall enter upon such Lot only at such a location as to not interfere with the flow of traffic in the Subdivision, and such vehicle shall not be parked on the streets and roads of the Subdivision. All construction sites must be kept clean, and debris shall not be allowed to accumulate. During construction, the use of dumpsters for routine cleaning of construction sites is permitted.

(b) No residence constructed on any Lot may be occupied prior to its substantial completion.

(c) In addition to compliance with the requirements set forth under this Declaration, any and all improvements on any Lot shall comply with the standards and provisions of Walton County (including, without limitation, the PUD Ordinance) and its applicable building code.

7.12 Pollution. There shall be no noxious emission of smoke, dust, odor, fumes, glare, noise, vibration, electrical or magnetic disturbance, detectable at the lot line or beyond.

7.13 Commercial Activity. No commercial activities of any kind whatsoever shall be conducted in any building or in any portion of any Lot; provided, however, that an Owner may conduct a business entirely within his Home so long as such business uses only ten percent (10%) of the total square footage of such Home and so long as such business is secondary to the use of the Lot for residential purposes.

7.14 Outdoor Lighting. All outside lights shall be of an intensity not to exceed 100 watts and shall be placed so as to avoid an annoyance to any neighbor. Said lighting shall be turned toward the ground and shall be shielded completely or by frosted glass or plastic in all directions so that it does not shine toward neighboring Lots. Flood lights which shine all night are specifically prohibited.

7.15 Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, or waste. All storage equipment for such material shall be kept in a clean and sanitary condition.

7.16 Oil and Mining Operations. No activity or hardware used for the purpose of exploration or extraction of minerals, oil, or gas shall be allowed on any Community Property at any time.

7.17 Firearms and Fireworks. The display or discharge of firearms or fireworks on any Lot or any Common Area is prohibited; provided, however, that the display of lawful firearms on the Common Area is permitted by law enforcement officers and also is permitted for the limited purpose of transferring firearms across the Common Area to or from an Owner's Lot. The term "firearms" includes "B-B" guns, pellet guns and other firearms of all types, regardless of size.

7.18 No Hanging of Items. No clothes, sheets, blankets, towels, laundry of any kind or other articles shall be hung out or exposed on any balconies, patios, or railings. Notwithstanding the foregoing, in the event the Association purchases any flags or other decorative items, each Owner shall hang any such flag or other decorative item from the exterior of such Owner's Home at the location, in the manner and at such times as shall be required by the Association in the Association's sole and absolute discretion.

7.19 Hazardous Items. No one shall use or permit to be brought onto any Lot or upon any of the Common Area any flammable oils or fluids such as gasoline, kerosene, naphtha or benzene, or other explosives or articles deemed hazardous to life, limb or property, without the written consent of the Board of Directors.

7.20 Water and Sewer Service. The Owner of each Lot shall be required to connect to and use the central water distribution system and central sanitary sewage disposal system serving the Subdivision, and shall be responsible for paying all connection fees and assessments. No septic tanks or wells will be permitted.

7.21 Windows and Window Treatments. Reflective glass shall not be permitted on the exterior of any Home or other structure. No foil or other reflective materials shall be installed on any windows or used for sunscreens, blinds, shades or for other purposes. All exterior window styles, materials, and colors must be approved by the Architectural Review Committee; provided, however, that in no event shall burglar bars and/or wrought iron doors be permitted.

7.22 Lots on Wetland Areas, Body of Water. No Lot shall be increased in size by filling in of any wetlands, body of water, creek or any waterway on which it may abut without appropriate governmental permits (if any are required) and prior written approval of the Architectural Review Committee.

7.23 Compliance With Law. In all cases, each Owner shall comply in all respects with all applicable laws, rules and regulations (including, without limitation, applicable zoning ordinances) promulgated by any governmental authority having jurisdiction over the Lots and the Common Area.

7.24 Swimming Pools. Swimming pools of any type are expressly prohibited on all Attached Home Lots. Above-ground swimming pools are expressly prohibited on all Detached Lots. In-ground swimming pools may be constructed upon Detached Lots; provided, however that (a) the location, character and extent of such swimming pool must be pre-approved by the Architectural Review Committee, (b) in no event, may any such swimming pool be vinyl-lined, and (c) any such swimming pool approved by the Architectural Review Committee shall be fenced via fencing approved by the Architectural Review Committee pursuant to Section 7.05(p) hereof.

ARTICLE EIGHT
ADDITIONAL RESTRICTIONS

8.01 Leasing. Homes and Lots may be leased by an Owner for residential purposes only; provided, however, that such lease and the rights of any tenants thereunder are hereby made expressly subject to the power of the Association to prescribe reasonable rules and regulations relating to the lease and rental of Lots and Homes and to enforce the same directly against such tenant or other occupant by the exercise of such remedies as the Board of Directors deems appropriate, including eviction. All leases must be in writing, with a copy provided to the Association upon request by the Association. Any Owner who leases his Home or any portion

thereof shall be responsible for the acts of his tenants, including, without limitation, the violation of this Declaration and/or any rules and regulations promulgated by the Association hereunder.

8.02 Restrictions on Mortgaging Lots. Nothing contained herein shall be construed to place any restrictions on an Owner's right to mortgage his Lot.

8.03 Regulations. Reasonable regulations concerning the use of the Lots and the HOA Property may be made and amended from time to time by the Board of Directors.

8.04 Lender's Notices. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

(a) Any condemnation or casualty loss that affects either a material portion of the Common Area or the Lot securing its mortgage.

(b) Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the mortgage.

8.05 Applicability of PUD Ordinance. Ownership, development, use and occupancy of each Lot and the Common Area are subject in all respects to the terms of the PUD Ordinance. Without in any way limiting the foregoing sentence, the following terms and conditions from the PUD Ordinance shall be applicable to each and every Owner:

(a) Native xeriscape material shall be utilized as a significant element of the Landscape Work and any Landscaping Plan. All landscaping within the Subdivision, whether located on a Lot or a Common Area, shall be drought tolerant and consist of indigenous species.

(b) Notwithstanding anything contained in this Declaration to the contrary, neither the Declarant, the Association, nor any Owner (or any tenant or other permitted occupant of any Owner) shall use or make use of any plant species set forth on the Florida Exotic Pest Plant Council's 2005 (or most recent) List of Florida's Most Invasive Species on any Lot, any Common Area or any other property that is the subject of this Declaration for any purpose whatsoever.

(c) Each Owner is hereby placed on notice that the Florida State Parks use prescribed fire as a management tool to preserve and restore natural communities under their management. It is possible that smoke or other effects of such prescribed fire may have an effect and/or impact on the Subdivision.

(d) THE PROPERTY DESCRIBED HEREIN IS PART OF THE PROMINENCE DEVELOPMENT OF REGIONAL IMPACT AND IS SUBJECT TO A DEVELOPMENT ORDER, NOTICE OF WHICH IS RECORDED IN THE PUBLIC RECORDS OF WALTON COUNTY, FLORIDA IN OFFICIAL RECORDS BOOK 2940, PAGE 147, WHICH IMPOSES CONDITIONS,

RESTRICTIONS AND LIMITATIONS UPON THE USE AND DEVELOPMENT OF THE SUBJECT PROPERTY WHICH ARE BINDING UPON EACH SUCCESSOR AND ASSIGN OF D.R. HORTON, INC. THE DEVELOPMENT ORDER DOES NOT CONSTITUTE A LIEN, CLOUD OR ENCUMBRANCE OF THE REAL PROPERTY OR CONSTITUTE ACTUAL OR CONSTRUCTIVE NOTICE OF SAME. A COPY OF THE DEVELOPMENT ORDER MAY BE REVIEWED AT THE WALTON COUNTY DEPARTMENT OF PLANNING AND ZONING AND THE DEPARTMENT OF ECONOMIC OPPORTUNITY IN TALLAHASSEE, FLORIDA.

(e) A covenant is hereby imposed upon the Community Property requiring all commercial interests and tenants to comply with the "Florida Handbook for Small Quantity Generators of Hazardous Waste" as it applies to wastes that may be generated by those activities. All Owners are encouraged to participate in the hazardous waste collection events sponsored by Walton County, Florida.

ARTICLE NINE
ENFORCEMENT; DURATION; AMENDMENT

9.01 Enforcement. The Association, the Board of Directors, the Architectural Review Committee and/or any Owner shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges imposed by the provisions of this Declaration. Failure by the Association, the Board of Directors, the Architectural Review Committee and/or 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. Furthermore, NWFWMD shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Stormwater Management System.

9.02 Enforcement by Owners. An Owner may file a legal action for the violation of this Declaration (the "Complainant"), provided that the following procedure is strictly followed:

(a) The Complainant must first give the Association written notice of the alleged violation of this Declaration together with a demand seeking that the Association enforce the terms of this Declaration as against said violator; and

(b) The Association must fail to cause a cure of the alleged violation or, if the alleged violation has not been cured, fail to commence legal proceedings against said violator for the enforcement of the terms and conditions of this Declaration within one hundred twenty (120) days of the date of the Association's receipt of the notice referenced in subsection (a) hereof.

9.03 Attorneys' Fees. In any action (whether in advance of or prior to the initiation of any legal or equitable proceeding, in arbitration, in trial, in any administrative or other similar

proceedings, or in any appeal from any of the same) pertaining to any condition, restriction or covenant herein contained (due to their alleged violation or breach) or for the enforcement of any lien against any Lot or against any Person, unless otherwise expressly provided in this Declaration to the contrary for specific instances and conflicts, the prevailing party shall be entitled to recover all costs, including reasonable legal fees and expenses.

9.04 Term. This Declaration is to take effect upon recordation and shall be binding upon the Association and all Owners and all persons and entities claiming title under and through them for fifty (50) years after the date this Declaration is recorded in the public records, after which it shall be automatically extended for successive ten (10) year periods unless an instrument in writing, signed by Members holding at least eighty percent (80%) of the voting interests in the Association, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

9.05 No Additional Burden. No amendment of this Declaration shall place an additional burden or restriction or requirement on any Lot where the Owner of such Lot does not join in said amending instrument.

9.06 Amendments. This Declaration may be amended by vote of the Members having sixty-seven percent (67%) of the voting interests in the Association, or by a written instrument signed by the same percentage of Members; provided, however, that any amendment to this Declaration that alters the Stormwater Management System, beyond maintenance in its original condition, including mitigation or preservation areas and the water management portions of the Common Area, must have the prior approval of NWFWMD. The Declarant shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party to amend this Declaration by any instrument in writing duly signed, acknowledged and filed for record for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or adversely affect the vested property or other rights of any Owner or such Owner's Mortgagee.

ARTICLE TEN
RESERVED DECLARANT RIGHTS

10.01 General Reserved Rights. Declarant reserves unto itself, its successors and assigns:

(a) A right-of-way and easement for ingress and egress and easement for utilities, drainage, maintenance, repairs and other related uses over, along, and across the Common Area for all purposes relating in any manner to the subdividing, developing or aiding in the development of the Subdivision or any parts or parts thereof or additions thereto by Declarant or others.

(b) The right to grant easements and rights-of-way of ingress and egress and for drainage, utilities, maintenance and repairs along, over, across and under the Common Area to any person, firm, corporation or entity for use as ingress or egress or for drainage, utilities, maintenance and repairs.

(c) The right to maintain, and grant Builders the right to maintain, a sales office and/or a management office and/or one or more model homes in the Subdivision and to maintain signs therein advertising the Subdivision and to conduct its business and sales activities pertaining to the Subdivision therein and therefrom.

All of the above rights and interests reserved by Declarant may be exercised by Declarant without the consent or concurrence of the Association or any Member.

10.02 Right to Annex Property. Declarant hereby reserves the right, exercisable in its sole and absolute discretion, to (a) make any or all of the Additional Property subject to all or any of the terms and conditions of this Declaration and/or (b) permit owners of Additional Property to become Members of the Association. No assurances can be made as to whether any Additional Property will be annexed. Furthermore, Declarant expressly reserves the right to exercise this right on multiple occasions until such time as all Additional Property has been annexed into the Subdivision and made subject to this Declaration. No assurances can be made with respect to the boundaries of any portions of any Additional Property that might be annexed. The Additional Property may be annexed in accordance with this Section by an amendment to this Declaration, which amendment may be made and entered into by Declarant in its sole and absolute authority and discretion without the consent, approval or signature of the Association or any Member. Notwithstanding anything contained in this Section to the contrary, (i) no Additional Property shall be subject to this Declaration unless and until Declarant executes an amendment to this Declaration affirmatively exercising Declarant's rights hereunder and records such amendment in the office in which this Declaration is recorded, and (ii) in the event Declarant exercises its right to annex any Additional Property in accordance with this Section, (1) Declarant shall also have the sole and exclusive right to alter, or otherwise replace with other terms, the terms of Section 7.05 hereof as those terms pertain to any Lots created out of such Additional Property, and (2) Declarant shall identify each Lot created out of the Additional Property and annexed into the Subdivision as a Detached Lot, a Townhome Lot or a Cluster Building Lot; provided, however, that in the event Declarant fails to do so, the Association shall have the right to make a determination as to whether a particular Lot is a Detached Lot, a Townhome Lot or a Cluster Building Lot for purposes of this Declaration based upon whether a Detached Home, a Townhome or a Cluster Building Home will be or is being constructed upon such Lot.

10.03 Amendment of Declaration by Declarant. Until Turnover, Declarant reserves unto itself the right, authority and power to amend this Declaration in any manner Declarant deems necessary and appropriate. Any amendment to this Declaration made in accordance with this Section shall require only the signature of Declarant and shall not require the signature of any other Owner or any mortgagee of any Owner.

10.04 Turnover. All rights of Declarant hereunder shall automatically terminate upon Turnover, except those rights that Declarant holds as an Owner and not by virtue of being the declarant under this Declaration, which shall continue as long as Declarant is an Owner.

ARTICLE ELEVEN
ATTACHED HOME ISSUES

11.01 General Rules of Law to Apply. Each wall built and located on the common or dividing line between adjoining Attached Lots shall constitute a Party Wall. Each roof system built over structures on adjoining Attached Lots shall constitute a Party Roof. To the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and party roofs and liability for property damage due to negligence, or willful acts or omissions, shall apply thereto.

11.02 Repair and Maintenance of a Party Wall. When the need arises for repair or other maintenance of any part of a Party Wall as originally built or as later extended, the cost of such repair shall be divided equally between the Owners of the Attached Lots on which the Party Wall is located as to parts of the Party Wall then being used by both parties; as to any remaining portion, the entire cost shall be borne by the party using that portion. Any Owner who shall cause a Party Wall to be exposed to the elements shall be solely responsible for any damages to adjoining improvements.

11.03 Repair and Maintenance of a Party Roof. When the need arises for repair, replacement or other maintenance of any part or all of a Party Roof, the Association shall perform (or cause to be performed) such repair, and the cost of such repair shall be a Townhome Expense to the extent such Party Roof is part of a Townhome and a Cluster Building Expense to the extent such Party Roof is part of a Cluster Building. No Owner may cause any such repairs or maintenance to be so performed; provided, however, that in the event of any material damage to a Party Roof that may result in water or other elements penetrating the Party Roof and damaging the Attached Home(s), an Owner shall have the right to make any emergency repairs such Owner deems reasonably necessary to protect his or her Attached Home from damage; provided, further, however, that in the event an Owner exercises such right, he or she shall immediately notify the Association of such repairs.

11.04 Maintenance of Exterior of Attached Homes. The Association shall maintain the exterior walls, excluding windows and doors, of Attached Homes and shall repaint when necessary the Attached Homes, and the cost thereof shall be a Townhome Expense to the extent such maintenance and/or repainting is performed upon a Townhome, and a Cluster Building Expense to the extent such maintenance and/or repainting is performed upon a Cluster Building.

11.05 Lawn Maintenance and Irrigation. The Association shall perform all lawn and irrigation maintenance around the Attached Homes, including mowing, weeding and fertilizing, and the cost thereof shall be a Townhome Expense to the extent performed on or around a Townhome Lot and a Cluster Building Expense to the extent performed on or around a Cluster Building Lot.

11.06 Termite Bond. The Association shall maintain termite bonds on each Attached Home and shall perform such repairs and treatments as may be necessary to maintain and renew said bonds, and all of the costs and expenses associated therewith shall be a Townhome Expense to the extent associated with a Townhome and a Cluster Building Expense to the extent associated with a Cluster Building.

11.07 Owner Maintenance Responsibilities. Except for the items that are specifically reserved to the Association in accordance with the terms and conditions of this Declaration, each Owner shall be responsible for the maintenance, repair and upkeep of such Owner's Attached Home, including, the interior of such Attached Home and any exterior doors and windows of such Attached Home; provided, however, that an Owner may not replace any exterior door or window without first obtaining the prior written approval of the Association as to the specific type of window or door, as applicable, to be used in such replacement. Each Owner shall properly maintain any balcony or terrace, including but not limited to the flooring surface of such balcony or terrace, appurtenant to such Owner's Attached Home (if any); provided, however, that no Owner shall puncture, or otherwise cause or allow to be punctured, the surface of any such balcony or terrace.

11.08 Cost of Construction. If the Owner of any Attached Home Lot erects a Party Wall at a time when the adjoining Owner is not ready to construct, then the Party Wall must be located on the applicable Attached Home Lot line, but entirely within the Attached Home Lot on which construction is to begin and such Owner shall bear the entire cost of constructing said Party Wall. If the adjoining Owner later erects a building utilizing said Party Wall, or any part thereof, he shall promptly pay to the Owner who originally bore the entire Party Wall cost an amount equal to the ratio that the portion of the Party Wall utilized for support, attachment or joinder bears to the original cost thereof, divided by one-half.

11.09 Adjoining Attached Home Lot. The first Owner to erect a Party Wall shall have the right to enter the adjoining Attached Home Lot(s) and shall have the right to authorize entry by his contractor, agents, employees, and suppliers to the extent reasonable and appropriate for construction purposes. Such right includes the right to make necessary excavations or to do other work required in connection with the construction of the Party Wall; provided, however, that on completion of the Party Wall, the adjoining Attached Home Lot(s) shall be restored to its condition prior to the start of construction. The first Owner to erect a Party Wall shall erect said Party Wall and any Party Roof in such a manner so as not to encroach into the Attached Home Lot of any adjoining Owner; provided, however that such Party Wall and Party Roof may, with the advance written approval of the Architectural Review Committee, have a finished eave or other overhang structure encroaching into such adjoining Owner's Attached Home Lot; provided, further, however, that such eave or other overhang structure shall be subject to the rights of an adjoining Owner to thereafter eliminate or modify such eave or other overhang structure to accommodate the construction of an adjoining Attached Home; and the elimination or alteration of any such eave or other overhang structure shall, in all events, be subject to the equitable and final discretion of the Architectural Review Committee. No construction shall be undertaken in a manner so as to adversely affect the structural integrity of any Attached Home located on an Attached Home Lot.

11.10 Sprinkler Systems; Fire Rating. Every Attached Home (including all accessory structures attached thereto) shall be (a) equipped with an automatic sprinkler system which meets all the standards of all applicable laws, or (b) constructed in such a manner as to not adversely affect the fire rating of any other Attached Home. Each Owner shall be responsible for the repair and maintenance of the sprinkler system, if any, within such Owner's Attached Home. The purpose of this Section is to allow Attached Homes to be fire rated as separate and distinct units without deficiency charge.

11.11 Failure to Maintain. In the event an Owner shall fail to maintain and repair his Attached Home Lot and/or Attached Home as required herein, and that failure to so maintain shall cause damage or injury to the adjoining Attached Home, Party Wall, and/or Party Roof, the Association, after approval by a majority vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Attached Home Lot and to repair, maintain, and restore the Attached Home Lot and the Attached Home and any other improvements erected thereon. The cost of the same shall be added to and become part of the assessment to which such Attached Home Lot is subject.

11.12 Right of Contribution Runs with the Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

11.13 Easement for Encroachment. There shall be reciprocal perpetual easements of encroachment between each adjacent Attached Home Lot due to the unintentional placement, settling, or shifting of Party Walls constructed, reconstructed, or altered thereon to a distance of three feet (3') as measured from any part on the common boundary along a line perpendicular of such boundary at such point.

11.14 Easement for Lateral Support. There shall be reciprocal perpetual easements of lateral support between each adjacent Attached Home Lot upon the structural components, including the Party Walls for lateral support of each Attached Home. No Owner shall demolish, modify, or interfere with a Party Wall so as to diminish or in any way alter the lateral support which such Party Wall affords any Attached Home.

11.15 Access and Garage Easements for Cluster Buildings. Attached hereto as Exhibit "B" is a drawing depicting the typical layout for Cluster Buildings, with the three (3) Cluster Building Lots labeled as Lot "A", Lot "B" and Lot "C".

(a) Vehicular and pedestrian access for ingress and egress to and from those Cluster Building Lots and the associated Cluster Buildings is provided by a driveway and/or sidewalks over and across the Common Area located adjacent to such Cluster Building to the nearest street within the Subdivision (singularly a "Common Path" and collectively the "Common Paths") and an easement is hereby reserved in favor of the Owners of Cluster Building Lots A, B and C, respectively, over and across such Common Path for such purposes. The

Association shall be responsible for the maintenance of the Common Paths, and the expense thereof shall be a Cluster Building Expense.

(b) A garage easement is reserved in favor of Cluster Building Lots B and C, respectively, over and across a portion of the adjoining Cluster Building Lot A (the "Garage Easement"). The purpose of the Garage Easement shall be to provide Cluster Building Lots B and C each with its own garage which shall be constructed on the ground level of Cluster Building Lot A, and connected by a driveway as described above in this Section. The Garage Easement for the Cluster Building Lot B garage is shown and depicted as Garage Easement BG on Exhibit "B". The Garage Easement for the Cluster Building Lot C garage is shown and depicted as Garage Easement CG on Exhibit "B". The boundaries of the Garage Easement areas shall extend to the interior surfaces of the walls and ceilings for purposes of affixing shelves, cabinets, and garage door openers. The Garage Easement shall not apply to the garage constructed on Cluster Building Lot A for the benefit of Cluster Building Lot A, and the Owner thereof, or to any other portion of the Cluster Building Home constructed on Cluster Building Lot A, including, but not limited to, any portion of the Cluster Building Home constructed on Cluster Building Lot A as a second story unit over and above the driveway, the Cluster Building Lot B garage and the Cluster Building Lot C garage.

(c) The respective driveway and pedestrian access easements and the Garage Easements for Cluster Building Lot B and Cluster Building Lot C shall be limited to those portions of Cluster Building Lot A and the Common Area upon which a garage, driveway, and sidewalks are initially constructed to serve each of those Cluster Building Lots. The easements described and reserved in this Section shall be exclusive easements for the benefit of Cluster Building Lots A, B and C, respectively, of each Cluster Building (and not for any other Lot), are perpetual, shall run with the land, and shall be irrevocable.

ARTICLE TWELVE
INSURANCE ISSUES

12.01 Insurance on HOA Property. The Association shall obtain the insurance coverage necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U.S. Department of Veterans Affairs, and the U.S. Department of Housing and Urban Development, as applicable to the Subdivision. Accordingly, the Board shall obtain casualty insurance for all insurable improvements, whether or not located on the HOA Property, which the Association is obligated to maintain. This insurance shall provide, at a minimum, fire and extended coverage and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board shall obtain a public liability policy applicable to the HOA Property covering the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents, and, if reasonably available,

directors' and officers' liability insurance. Policies may contain a reasonable deductible as determined by the Board. In addition to the other insurance required by this section, the Board shall obtain worker's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees and other persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the policy is in force, or any lesser amount of fidelity coverage allowable under the applicable Fannie Mae guidelines. Fidelity coverage shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation. All such insurance coverage shall be written in the name of the Association. The expense of all insurance coverage obtained by the Association in accordance with this Section shall be a Common Expense.

12.02 Insurance on Attached Homes – Association. The Association shall obtain and maintain at all times a policy or policies of multi-peril type hazard insurance, including insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other townhome-style projects similar in construction, design, location and use, insuring the Attached Homes against loss or damage by the perils of fire, lightning and those perils contained in extended coverage, vandalism and malicious mischief endorsements. If the Attached Home Lots are located in an area identified by the Secretary of Housing and Urban Development as having special flood hazards, the Association shall, to the extent obtainable, insure the Attached Homes and the Attached Home Lots against the perils of flood under the National Flood Insurance Act of 1968 and acts amendatory thereto. The amount of insurance coverage shall be determined on a replacement cost basis in an amount not less than one hundred percent (100%) of the then current replacement cost of the Attached Home (but excluding interior sheetrock, wallboard, fixtures, appliances, and improvements or betterments made to an Attached Home by the applicable Owner after the initial construction of such Attached Home) and any accessory structures attached to an Attached Home (but excluding land, foundations, excavations and other items usually excluded from such insurance coverage) (collectively, the "Covered Property"). Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association for the use and benefit of the individual Owners. Periodically, and in any event at least once every two (2) years, prior to the renewal of any such policy or policies of insurance, the Association shall either obtain an opinion or an appraisal from a qualified insurance appraiser for the purpose of determining the full replacement cost of the Covered Property for the amount of insurance to be obtained pursuant hereto. The cost of any such opinion or appraisal as it pertains to the Townhomes shall be a Townhome Expense and as it pertains to the Cluster Buildings shall be a Cluster Building Expense. All such policies of insurance shall comply with the provisions of this Article and shall (i) contain a standard mortgagee loss payable clause endorsement in favor of the Mortgagee or Mortgagees of each Attached Home, if any, as their respective interests may appear; and (ii) provide that the insurance shall not be invalidated by any act or neglect of any Owner. Premiums upon insurance policies purchased by the Association in accordance with this Section shall be paid by the Association as a Townhome Expense with respect to insurance coverage for the Townhomes and a Cluster Building Expense with respect to insurance coverage for the Cluster Buildings; except that the amount of increase over the usual premium occasioned by the use, misuse, occupancy or

abandonment of an Attached Home or its appurtenances by an Owner of an Attached Home shall be specially assessed against that Owner.

12.03 Attached Home Owner Insurance. The Owner of each Attached Home Lot shall be responsible for, at the Owner's expense, obtaining insurance coverage for (a) loss of or damage to any sheetrock, wallboard, fixtures, furniture, appliances, furnishings, decorations, personal effects, and other property belonging to such Owner and located within such Owner's Attached Home or otherwise on such Owner's Attached Home Lot, (b) loss of or damage to any improvements or betterments made to such Owner's Attached Home, and (c) personal liability for injury to the person or property of another while within such Owner's Attached Home or upon such Owner's Attached Home Lot. Risk of loss of or damage to any fixtures, furniture, furnishings and personal property belonging to or carried on the person of the Owner, or which may be stored upon any Attached Home Lot, and any improvements or betterments made to such Owner's Attached Home shall be borne by the Owner of each Attached Home Lot. All insurance obtained by the Owner of each Attached Home Lot shall, whenever such provisions shall be available, provide that the insurer waives its right of subrogation as to any claims against other Owners, the Association or the Declarant, and their respective servants, agents, employees and guests.

12.04 Detached Lot Owner Insurance. Notwithstanding anything contained herein to the contrary, the terms of Section 12.02 and Section 12.03 shall NOT be applicable to any Detached Lot or any Owner of any Detached Lot. It shall be the sole and absolute responsibility of each Owner of any Detached Lot to obtain any and all insurance coverage for such Owner's (a) Detached Lot, (b) Detached Home constructed thereon (if any), and (c) fixtures, furniture, furnishings, appliances, decorations, personal effects, and other property belonging to such Owner and located within such Detached Home (if any).

12.05 Damage and Destruction to HOA Property. Not later than ninety (90) days after damage or destruction by fire or other casualty to all or any portion of the HOA Property (as applicable, the "Damaged Property"), the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Any damage or destruction to HOA Property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within one hundred twenty (120) days after the casualty, a proposal not to repair or reconstruct such Damaged Property is approved by at least seventy-five percent (75%) of the voting interests of the Members. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed one (1) year. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against

the Owner of each Lot. Additional assessments may be made in like manner, as necessary, at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association. In the event that it should be determined by the Association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, the property shall thereafter be maintained by the Association in a neat and attractive condition.

12.06 Destruction of Attached Home. In the event of damage or destruction to one or more Attached Homes due to fire or other disaster (whether one or more, a "Damaged Attached Home"), the insurance proceeds, if sufficient to reconstruct the Damaged Attached Home, shall be deposited into a bank account which requires, for withdrawals, the signatures of the Owner of such Damaged Attached Home and an officer of the Association. Thereafter, the Owner of such Damaged Attached Home and the Association shall promptly authorize the necessary repair and reconstruction work, and the insurance proceeds shall be applied by the Association and the Owner of the Damaged Attached Home to pay for the cost and expense thereof. "Repair and reconstruction" of a Damaged Attached Home, as used herein, shall mean restoring the improvements to substantially the same condition in which they existed prior to the event causing such damage.

12.07 Damaged Attached Home – Insufficient Insurance Proceeds. If the insurance proceeds are insufficient to repair and reconstruct any Damaged Attached Home, such damage or destruction shall be promptly repaired and reconstructed by the Association, using all available insurance proceeds and the proceeds of a special assessment levied against the Owner of such Damaged Attached Home. Any such special assessment shall be equal to the amount by which the cost of reconstruction and repair of the Damaged Attached Home exceeds the sum of the insurance proceeds allocable to such Damaged Attached Home. Such special assessment shall be due and payable as provided by resolution of the Board of Directors, but not sooner than thirty (30) days after the levy of such special assessment. The special assessment provided for in this Section shall be a debt of the Owner of the affected Damaged Attached Home and a lien against such Owner's Attached Home Lot and any improvements located thereon and may be enforced and collected in accordance with Article Four hereof. Notwithstanding the foregoing to the contrary, each Owner and Mortgagee holding a security interest in a Damaged Attached Home may agree that a Damaged Attached Home shall promptly be demolished and all debris and rubble caused by such demolition be removed from the Subdivision and the Attached Home Lot be re-graded and landscaped in a manner that is reasonably acceptable to the Board of Directors. The cost of such demolition work, re-grading and landscaping shall be paid for by any and all insurance proceeds available. Any excess insurance proceeds remaining therefrom shall be disbursed to such Owner and such Owner's Mortgagee, jointly, in accordance with their respective interests.

ARTICLE THIRTEEN
MISCELLANEOUS

13.01 Savings. If any provision or provisions of this Declaration, or any article, section, sentence, clause, phrase, or word herein, or the application thereof, is in any circumstances held invalid, the validity of the remainder of this Declaration and the application thereof shall not be affected thereby.

13.02 Captions. The captions in this Declaration are for convenience only and are not a part of this Declaration and do not in any way limit or amplify the terms and provisions of this Declaration.

13.03 Applicable Law. The laws of the State of Florida shall govern this Declaration. All actions or proceedings in any way, manner or respect, arising out of or from or related to this Declaration shall be litigated only in courts having situs within the county in which the Subdivision is located. Each Owner hereby consents and submits to the jurisdiction of any local, state or federal court located within said county and state and hereby waives any rights it may have to transfer or change the venue of any such litigation. The prevailing party in any litigation in connection with this Declaration shall be entitled to recover from the other party all costs and expenses, including without limitation fees of attorneys and paralegals, incurred by such party in connection with any such litigation.

13.04 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations hereunder is not a consent or waiver to or of any breach or default in the performance by that Person of the same or any other obligations of that Person. Failure on the part of a Person to complain of any act or to declare any Person in default hereunder, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default.

13.05 Headings. The headings and captions herein are used solely as a matter of convenience and shall not define, limit or expand any term or provision of this Declaration.

13.06 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a subdivision in accordance with Florida law. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

13.07 Notice. All notices required or desired under this Declaration to be sent to the Association shall be sent certified mail, return receipt requested, by hand delivery or by a recognized overnight courier who maintains verification of delivery, to the Secretary of the Association, at such address as the Association may designate from time to time by notice in writing to all Owners. All notices to any Owner shall be delivered by hand delivery, by a recognized overnight courier who maintains verification of delivery in person, or sent by first (1^{st}) class mail to the address of such Owner's Lot, or to such other address as he may have designated from time to time, in a writing duly received, to the Association.

13.08 Conflict Between Documents. If there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the Articles of Incorporation, the Bylaws or any rules and regulations promulgated hereunder, the terms and conditions of this Declaration shall control. If there is any conflict or inconsistency between the terms and conditions of the Articles of Incorporation and the terms and conditions of the Bylaws or any rules and regulations promulgated hereunder, the terms and conditions of the Articles of Incorporation shall control. If there is any conflict or inconsistency between the terms and conditions of the Bylaws and the terms and conditions of any rules and regulations promulgated hereunder, the terms and conditions of the Bylaws shall control.

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IN WITNESS WHEREOF, Declarant has executed this Declaration by and through its duly authorized representative as of the date first set forth above.

DECLARANT:

D.R. HORTON, INC., a Delaware corporation

Witness: _____

Print Name: Shane Ikerman

By: _____
Name: Rachel S. DeQuattro
As Its: Assistant Secretary

Witness: _____

Print Name: Anna Rowe Davenport

STATE OF ALABAMA
COUNTY OF BALDWIN

The foregoing instrument was acknowledged before me this 22 day of April, 2014, by Rachel S. DeQuattro, as Assistant Secretary for D.R. Horton, Inc., a Delaware corporation. He/she is personally known to me or produced a _____ as identification.

[SEAL]

_____
Notary Public Signature

_____
Notary Public Printed Name

JENNIFER ROSELIUS
Notary Public
Alabama State at Large
My Commission Expires May 7, 2017

EXHIBIT "A"
Legal Description of Additional Property

That certain real property located in Walton County, Florida described as follows:

The East ½ of the Southeast ¼, of Section 20, Township 3 South, Range 18 West, Walton County, Florida.

Less and except the following described parcels:

Parcel 1:

All right-of-way of State Road 30-A.

Parcel 2:

COMMENCING AT THE NORTH EAST CORNER OF PROMINENCE-PHASE 1 AS RECORDED IN PLAT BOOK 18, PAGE 87, OF THE PUBLIC RECORDS OF WALTON COUNTY, FLORIDA ; THENCE NORTH 63 DEGREES 05 MINUTES 10 SECONDS WEST ALONG THE NORTHERN BOUNDARY OF SAID PLAT AND THE SOUTHERN RIGHT OF WAY OF COUNTY ROAD 30-A, A DISTANCE OF 113.87 FEET TO A POINT, SAID POINT BEING THE POINT OF BEGINNING; THENCE SOUTH 50 DEGREES 58 MINUTES 55 SECONDS WEST ALONG THE WESTERN BOUNDARY OF SAID PLAT A DISTANCE OF 10.61 FEET A POINT, SAID POINT BEING THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST; THENCE ALONG SAID CURVE AND ALONG THE WESTERN BOUNDARY OF SAID PLAT, HAVING AN ARC LENGTH OF 47.09 FEET, A RADIUS OF 43.85 FEET, A CENTRAL ANGLE OF 6l DEGREES 32 MINUTES 04 SECONDS, A CHORD BEARING OF SOUTH 24 DEGREES 59 MINUTES 04 SECONDS EAST, AND A CHORD DISTANCE OF 44.86 FEET TO A POINT, SAID POINT BEING THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST; THENCE ALONG SAID CURVE AND ALONG THE WESTERN BOUNDARY OF SAID PLAT, HAVING AN ARC LENGTH OF 26.89 FEET, A RADIUS OF 128.68 FEET, A CENTRAL ANGLE OF 11 DEGREES 58 MINUTES 14 SECONDS, A CHORD BEARING OF SOUTH 45 DEGREES 46 MINUTES 04 SECONDS EAST, AND A CHORD DISTANCE OF 26.84 FEET TO A POINT, SAID POINT BEING THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTH WEST; THENCE ALONG SAID CURVE AND ALONG THE WESTERN BOUNDARY OF SAID PLAT HAVING AN ARC LENGTH OF 25.59 FEET, A RADIUS OF 22.53 FEET, A CENTRAL ANGLE OF 65 DEGREES 04 MINUTES 11 SECONDS, A CHORD BEARING OF SOUTH 05 DEGREES 36 MINUTES 25 SECONDS EAST, A CHORD DISTANCE OF 24.24 FEET TO A POINT; THENCE SOUTH 26 DEGREES 54 MINUTES 52 SECONDS WEST ALONG THE WESTERN BOUNDARY OF SAID PLAT A DISTANCE OF 4.89 FEET TO A POINT; THENCE SOUTH 63 DEGREES 05 MINUTES 08 SECONDS EAST ALONG THE WESTERN BOUNDARY OF SAID PLAT A DISTANCE OF 2.88 FEET TO A POINT; THENCE SOUTH 26 DEGREES 54 MINUTES 52 SECONDS WEST ALONG THE WESTERN BOUNDARY OF SAID PLAT A DISTANCE OF 15.00 FEET TO A POINT; THENCE SOUTH 63 DEGREES 05 MINUTES 08 SECOND EAST ALONG THE

WESTERN BOUNDARY OF SAID PLAT A DISTANCE OF 10.00 FEET TO A POINT; THENCE SOUTH 26 DEGREES 54 MINUTES 52 SECONDS WEST ALONG THE WESTERN BOUNDARY OF SAID PLAT A DISTANCE OF 32.50 FEET TO A POINT; THENCE NORTH 63 DEGREES 05 MINUTES 08 SECONDS WEST ALONG THE WESTERN BOUNDARY OF SAID PLAT A DISTANCE OF 25.00 FEET TO A POINT; THENCE SOUTH 26 DEGREES 54 MINUTES 52 SECONDS WEST ALONG THE WESTERN BOUNDARY OF SAID PLAT A DISTANCE OF 62.06 FEET TO A POINT ; THENCE NORTH 63 DEGREES 05 MINUTES 08 SECONDS WEST ALONG THE NORTHERN BOUNDARY OF SAID PLAT A DISTANCE OF 540.42 FEET TO A POINT ; THENCE DEPARTING THE NORTHERN BOUNDARY OF SAID PLAT CONTINUE NORTH 63 DEGREES 05 MINUTES 08 SECONDS WEST A DISTANCE OF 96.47 FEET TO A POINT; THENCE NORTH 28 DEGREES 54 MINUTES 52 SECONDS EAST ALONG THE EASTERN BOUNDARY OF SAID PLAT A DISTANCE OF 180.34 FEET TO A POINT; THENCE SOUTH 63 DEGREES 05 MINUTES 10 SECONDS EAST ALONG THE SOUTHERN RIGHT OF WAY OF COUNTY ROAD 30-A, A DISTANCE OF 573.09 FEET TO A POINT, SAID POINT BEING THE POINT OF BEGINNING. ALL LYING AND BEING IN SECTION 20, TOWNSHIP 3 SOUTH, RANGE 18 WEST, WALTON COUNTY, FLORIDA.

Parcel 3:

COMMENCING AT THE NORTH WEST CORNER OF PROMINENCE PHASE 1 AS RECORDED IN PLAT BOOK 18, PAGE 87, OF THE PUBLIC RECORDS OF WALTON COUNTY, FLORIDA; THENCE NORTH 63 DEGREES 05 MINUTES 10 SECONDS WEST ALONG THE SOUTHERN RIGHT-OF-WAY OF COUNTY ROAD 30-A, A DISTANCE OF 281.79 FEET TO A POINT, SAID POINT BEING THE POINT OF BEGINNING; THENCE DEPARTING SAID RIGHT OF WAY SOUTH 26 DEGREES 57 MINUTES 13 SECONDS WEST A DISTANCE OF 34.22 FEET TO A POINT; THENCE SOUTH 01 DEGREES 45 MINUTES 53 SECONDS WEST A DISTANCE OF 1357.63 FEET TO A POINT; THENCE NORTH 88 DEGREES 14 MINUTES 07 SECONDS WEST A DISTANCE OF 112.79 FEET TO A POINT; THENCE SOUTH 01 DEGREES 45 MINUTES 49 SECONDS WEST A DISTANCE OF 123.57 FEET TO A POINT; THENCE SOUTH 58 DEGREES 10 MINUTES 57 SECONDS WEST A DISTANCE OF 35.41 FEET TO A POINT; THENCE SOUTH 31 DEGREES 54 MINUTES 05 SECONDS EAST A DISTANCE OF 9.91 FEET TO A POINT, SAID POINT BEING THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST; THENCE ALONG SAID CURVE HAVING AN ARC LENGTH OF 38.87 FEET, A RADIUS OF 30.60 FEET, A CENTRAL ANGLE OF 72 DEGREES 47 MINUTES 27 SECONDS, A CHORD BEARING OF SOUTH 14 DEGREES 01 MINUTES 38 SECONDS WEST, AND A CHORD DISTANCE OF 36.31 FEET TO A POINT; THENCE SOUTH 59 DEGREES 48 MINUTES 28 SECONDS WEST A DISTANCE OF 9.91 FEET TO A POINT; THENCE SOUTH 30 DEGREES 11 MINUTES 32 EAST A DISTANCE OF 63.18 FEET TO A POINT; THENCE NORTH 87 DEGREES 50 MINUTES 45 SECONDS WEST A DISTANCE OF 135.55 FEET TO A POINT; THENCE NORTH 01 DEGREES 45 MINUTES 51 SECONDS EAST A DISTANCE OF 1759.91 FEET TO A POINT ON THE SOUTHERN RIGHT OF WAY OF COUNTY ROAD 30-A; THENCE SOUTH 63 DEGREES 05 MINUTES 10 SECONDS EAST ALONG THE SOUTHERN RIGHT OF WAY OF COUNTY ROAD 30-A, A

DISTANCE OF 297.84 FEET TO A POINT, SAID POINT BEING THE POINT OF BEGINNING.

Parcel 4:

All of the real property that is subject to the subdivision plat for Prominence – Phase 1 Subdivision, as recorded in Plat Book 18, Pages 87-88 of the Office of the Clerk of the Circuit Court of Walton County, Florida.
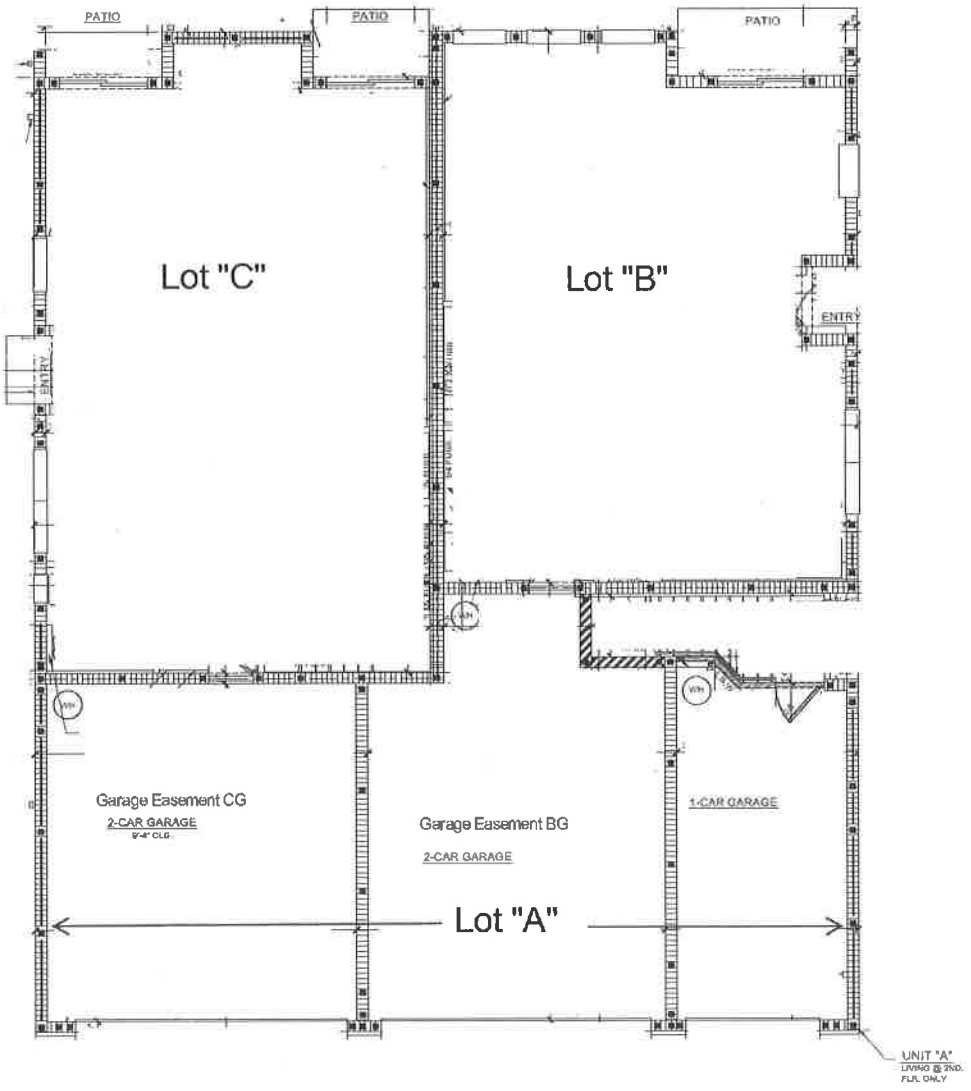
EXHIBIT "B"
TYPICAL CLUSTER BUILDING
GARAGE EASEMENTS